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THE UNIVERSITY OF ALBERTA  
THE FEDERAL EMERGENCY RELIEF ADMINISTRATION  
AND THE ADMINISTRATION OF FEDERAL WELFARE IN MONTANA, 1933-1935

by



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The undersigned certify that they have read, and  
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## ABSTRACT

As the Great Depression descended upon the United States unemployment rose drastically until real destitution prevailed among a large segment of the population. The existing relief machinery appeared inadequate to meet the emergency. Shortly after Franklin D. Roosevelt's inauguration as President, March 4, 1934, his administration developed plans not only to make direct relief grants to the states, but also for a Federal relief organization to cooperate with the states in insuring the proper administration and distribution of these funds to the needy unemployed. The Federal Emergency Relief Act of May 12, 1933, created the Federal Emergency Relief Administration for that purpose.

With this as a background the author examines the administration of emergency relief in the United States in general, and in Montana in particular, under the Federal Emergency Relief Administration from its beginning in the spring of 1933 to the end of 1935.

After his appointment as Federal Relief Administrator in late May 1933, Harry Hopkins set to work developing the Relief Administration into a viable instrument of relief distribution and supervision. He and his advisors developed regulations which set relief standards and objectives, and explained how the states should administer the relief monies. In order to receive the Federal grants the states were required to accept Federal regulations governing their expenditure. The Emergency Relief leadership also organized the Administration into a number of divisions to supervise the various activities within the total relief





program, such as work relief or transient relief. Special representatives gave advice to states about how to organize the corresponding divisions or programs. The Relief Administration continually expanded until by mid-1934 its program not only included direct and work relief, but also a number of special emergency programs such as college student aid, emergency education, drought relief, rural rehabilitation, and transient relief. Toward the fall of 1935 the Federal Emergency Relief Administration began to give way to the Works Progress Administration, a large Federal work program. By the end of 1935 the Federal government had practically terminated its emergency relief operation.

The Montana legislature in the spring of 1933 created the Montana Relief Commission which developed a very active relief administration within the state. At both the state and county level of administration it quickly organized such administrative divisions as the Work Division and the Rural Rehabilitation Division to parallel the corresponding Federal organizations. It also endeavored to follow Federal regulations and meet Federal Relief objectives. In fact the Relief Commission in Montana very closely paralleled the activities of the Relief Administration in Washington. This harmony however, began to break down by August 1935. Because of problems of authority which arose between the Montana Relief Commission and its Social Service Division the Federal relief authorities sided with the Social Service Division, and attempted to take over the administration of relief in Montana. The Relief Commission resisted what this author considers an unwarranted attempt. Contrary to what Federal relief authorities may have thought by the fall of 1935 the author concludes that the Montana Relief Commission created a very effective relief administration. This does not mean that relief



was adequate--the money spent by the Federal, State, and county governments was simply not enough. But the Montana Relief Commission was successful in that it effectively administered the money at its disposal.





## PREFACE

One of the fundamental problems of our society is how to care for the poor or economically destitute. Yet the present day problem is almost insignificant when compared to the serious situation of unemployment distress which existed during the 1930's. Such vast unemployment presented a problem of previously unknown dimensions. The American government was totally unprepared then to meet the problem of distributing fast and adequate relief to those in need, unprepared not only in terms of actual relief administration but also in its philosophy of what should be done. The best way to relieve the economic destitution of the unemployed is to reactivate the economy and thus produce suitable jobs for those out of work. This however takes time, sometimes years. In the meantime the poverty stricken need direct immediate assistance. The author decided to write about the Federal Emergency Relief Administration because this was the primary agency by which the Roosevelt administration attempted to alleviate this prevalent unemployment distress.

Many researchers have studied and written about the Federal Emergency Relief Administration and have made generalizations about the administration of state welfare under the Federal agency, yet very few writers have actually studied the administration of relief in particular states. Such studies would certainly increase our knowledge of the scope of the Federal Relief Agency during this period. Although the administration of Federal welfare undoubtedly was not exactly similar in each state the Federal rules and regulations, and supervisory techniques,





insured a degree of conformity throughout the nation. Therefore a study of a relief administration in a particular state may present a fairly adequate conception of the general administration of relief at the state level. It may also give us a better idea of Federal-state relations under the Federal Emergency Relief Administration. The author has chosen Montana as the state in which to make this study, primarily because of its proximity and the accessibility of its records. Some research has been done on the F.E.R.A. in New York and New Jersey for example, but these states are and were during the 1930's heavily industrialized and urbanized. Montana however, was largely dependent on extractive industry and agriculture, consequently it was basically rural or semi-urban. In addition Montana is a western state, somewhat typifying both the plains and mountain regions of the country. No previous research on F.E.R.A. administration has been done in these vast areas of the nation.

This thesis is most concerned with the actual administration of relief rather than such things as the economic effects of relief on the economy, or the social effects of welfare on the recipients. This involves a number of questions at both the Federal and state levels of administration. For example; what central relief agencies were organized at the Federal, state, and county levels of administration, and what was the relationship between each? How was relief money distributed to the states and counties and eventually to those in need? What various sub-agencies were set up to help in the administration of relief, and what was the relationship between them and the central relief bodies? How did the Federal and state relief authorities attempt to provide for uniformity of standards? How did the administration of relief evolve



from 1933 to the end of 1935? These are some of the questions to be answered. Rather than try to confuse the reader at this early stage they are meant only to illustrate what the point of concentration will be in the thesis. This examination attempts to discover how closely the relief administration in Montana followed and reflected the Federal administration. Secondly, it endeavors to show whether the administration of relief was adequate or not, particularly in Montana. Relief itself was inadequate in terms of the money spent: many scholars have attested to this. But was the available money administered effectively?

The New Deal abounded in abbreviations; in fact most of President Roosevelt's New Deal programs and agencies are better known by their abbreviations. The following list indicates the abbreviations which are used in this thesis, and the full name of the agencies they represented:

M.R.C.	Montana Relief Commission
F.E.R.A.	Federal Emergency Relief Administration
R.F.C.	Reconstruction Finance Corporation
C.W.A.	Civil Works Administration
W.P.A.	Works Progress Administration
F.S.R.C.	Federal Surplus Relief Corporation
A.A.A.	Agricultural Adjustment Administration
N.I.R.A.	National Industrial Recovery Act
N.R.A.	National Recovery Administration
P.W.A.	Public Works Administration
C.C.C.	Civilian Conservation Corps



T.V.A. Tennessee Valley Authority

T.E.R.A. Temporary Emergency Relief Administration

I wish to acknowledge my gratitude to the people at the Department of Public Welfare in Helena, Montana, for allowing me to xerox the minutes of the Montana Relief Commission from 1933 through 1935, also the people of the State Veterinarian's office for a xeroxed copy of the minutes of the Montana Rural Rehabilitation Corporation. In addition I acknowledge my thanks to the Secretary of State of Montana, the Honorable Frank Murray, for loaning me the House and Senate Journals and the Laws of Montana, 1933-1935.





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## CHAPTER I

### DEPRESSION DISTRESS AND A COMPARISON OF HERBERT HOOVER AND FRANKLIN ROOSEVELT

This chapter will give a background and provide a setting for an examination of the early relief measures of the New Deal. It will attempt to illustrate in brief that President Hoover's philosophy and relief programs for meeting the unemployment crisis of the depression were inadequate, and that there was a need for more ambitious relief measures. Furthermore the chapter will contrast the philosophies of Franklin D. Roosevelt and President Hoover with respect to the depression and government intervention. This comparison will focus primarily upon intervention in relief matters. From Roosevelt's programs for relief in the State of New York and from his public addresses until the time he was elected President a contrast can be seen from what President Hoover believed and was doing. Roosevelt by no means forecasted all of the New Deal; in fact much of what was to be a part of the New Deal was never mentioned at all, but nevertheless someone viewing Roosevelt's statements and his record as Governor of New York could expect some changes in Federal government policy, certainly in respect to relief, once Roosevelt became President.

The depression is usually dated from the stock market crash in the fall of 1929. From then on the prosperity of the 1920's began to flee the nation; all facets of the economy were affected as well as most of the people of the United States. Business and bank failures



increased rapidly; there was a tremendous increase in unemployment, and there were instances of wide scale undernourishment. Depressions had happened before but none with the overall severity of the depression of the 1930's.

Unemployment statistics are the best general indicator of the distress which comes with a depression. Isolated examples of the lack of food or other necessary consumer goods among certain families illustrates what unemployment means, but these examples in no way present the scope of an existing situation of need. No two statistical agencies which estimated the depression unemployment agreed exactly, but all were in unison in showing that unemployment was high and increased rapidly until the spring of 1933. In March of 1929 statistics prepared for the President's Committee on Economic Security showed that 2,860,000 people were unemployed.<sup>1</sup> By March 1930 this figure had risen to 4,644,000; however, it then subsided a bit reaching a low of 4,161,000 unemployed in June of the same year. After that unemployment increased quickly to a new high of 8,334,000 by February 1931,<sup>2</sup> but then it stabilized at approximately 8,000,000<sup>3</sup> through the spring and early summer when it began to rise rapidly again. This trend continued until a depression high of 14,597,000<sup>4</sup> unemployed was reached

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<sup>1</sup>Harry L. Hopkins, Spending to Save: The Complete Story of Relief (New York: W.W. Norton and Company, Inc. 1936), p. 13, quoting Robert R. Nathan, Estimates of Unemployment in the United States, 1929-1935 (Geneva: International Labour Office, 1936).

<sup>2</sup>Ibid., p. 16.

<sup>3</sup>Ibid., p. 41.

<sup>4</sup>Ibid., p. 95.



in February 1933.<sup>1</sup> This indicated an approximate five-fold increase in unemployment in four years. The National Industrial Board<sup>2</sup> reported unemployment statistics very similar to those cited above. The Board stated that unemployment was well over 10,500,000 by the end of 1931 and had reached 14,721,000 by February 1933. The National Research League estimates were higher than those thus far presented; it claimed 17,920,000 people were unemployed by March 1933.<sup>3</sup> In August of 1932 the United States Bureau of Labor Statistics reported some very crucial figures.<sup>4</sup> It stated that the number of employees in more than 63,000 manufacturing industries, representing every important branch of factory employment, were only 55.2 per cent of the average level of 1926. Pay rolls had declined even more drastically; they were only 36.2 per cent of their 1926 level. These statistics indeed present a distressing picture.

Many of the individual states and cities also presented some very grim statistics. None of the examples to be reported are meant to represent the national picture exactly; they are only isolated examples, yet they quite definitely show the trend that took place in the nation.

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<sup>1</sup>The author was unable to obtain the exact statistics for the period of mid-1931 to the winter of 1933.

<sup>2</sup>Edward Ainsworth Williams, Federal Aid For Relief (New York: Columbia University Press, 1939), p. 15, quoting the National Industrial Conference Board (Conference Board Bulletin, Vol. XI, No. 7, May 24, 1937).

<sup>3</sup>Hopkins, Spending to Save, p. 14.

<sup>4</sup>"Depressing Figures," The Nation, Vol. 135 (August 31, 1932), p. 181.







The New York State Department of Labor reported that for Buffalo in November 1929, 6.2 per cent of men able and willing to work were wholly unemployed, in November 1930, 17.2 per cent, and by November 1932, 32.6 per cent. By the fall of 1932 only 44 per cent of the male workers had full-time employment.<sup>1</sup>

The Literary Digest in its issue of April 4, 1931, reported on a special census made by R. P. Lamont, Secretary of Commerce.<sup>2</sup> The census covered nineteen cities with a total population of 20,638,980 which was approximately one-sixth of the nation. 4,700 enumerators were employed to make the survey. In Detroit 174,527 were jobless; this represented 11.1 per cent of the total population or about 25.5 per cent of the regularly gainfully employed workers. 99,233 or 11 per cent of Cleveland's population were jobless; this was 25.1 per cent of the regularly gainful workers. In the boroughs of Brooklyn, Manhattan, and the Bronx 470,928 or 8 per cent of the total population were unemployed and another 61,554 people had only part-time work. The statistics for Philadelphia were 369,990 unemployed or 23.8 per cent of the possible working population. A member of the Pennsylvania Planning Commission on Unemployment, who gave as his source the Pennsylvania Department of Labor and Industry, claimed that on June 30, 1931 slightly less than one quarter of the total number of normally employed persons in the state

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<sup>1</sup>Bernard Bellush, Franklin D. Roosevelt As Governor of New York (New York: Columbia University Press, 1955), p. 139.

<sup>2</sup>"Staggering Statistics on Unemployment," The Literary Digest, Vol. 109 (April 4, 1931), p. 12.



were unemployed.<sup>1</sup>

The situation worsened steadily; for example, testimony before the Senate Manufactures Committee during hearings on the LaFollette-Costigan bill in January 1933 reported that one-half of the employable population of Chicago and approximately two-fifths of the employable population of Illinois were idle.<sup>2</sup>

The above statistics are by no means complete, others might well have been used, yet these sufficiently illustrate what the depression meant in terms of unemployment.

Unemployment itself might not have been quite so tragic had relief measures been adequate; however, innumerable examples can be cited to illustrate the utter inadequacy of welfare. Reports from every part of the United States emphasized the terrible conditions among the unemployed and the inability of state, local, and private funds to care for those in need. This thesis is not the place to examine all of these examples but a few will help to illustrate the problems.

The Red Cross was very active in providing relief and especially provided much-needed aid in states hit by drought in 1930 and 1931. By the end of January 1931, the organization had given special relief to twenty-six states in the form of food, clothing, feed for cattle, and seed with which to plant crops. The Red Cross chairman felt that the job had been done adequately and no doubt the organization can be commended for its efforts. However, in Kentucky, one of the states

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<sup>1</sup>Williams, Federal Aid, p. 38.

<sup>2</sup>Paul Y. Anderson, "Congress Studies Relief," The Nation, Vol. 136 (January 18, 1933) p. 59.



which received aid, the state health officer reported that conditions were still so bad that one-fifth of the population or about 500,000 people would need help over the winter. One Red Cross Worker, traveling in the hills along one creek found thirty families with no food at all. In Tennessee the local Red Cross organizations were "getting along without help on a basis of fifty-five cents a head per week for food for those who are destitute."<sup>1</sup>

The Executive Director of the Welfare Council of New York City declared in the fall of 1931 that "we are reasonably certain, I think, that the total amount of money which is in sight at the present time is not sufficient to care for the families and individuals in the country who are going to be in need of help and assistance during this winter."<sup>2</sup> His statement was truer than most people may have realized. In an editorial, The New Republic reported that over the winter ninety-five people, who were suffering from starvation, had been admitted to public hospitals in New York city; twenty-five of these people died.<sup>3</sup>

The relief problem was certain to get much worse even if unemployment did not increase because "invisible"<sup>4</sup> relief was destined to decrease. An article in The Nation in the spring of 1932 claimed

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<sup>1</sup>Edith Abbott, Public Assistance (New York: Russell & Russell, 1966), Vol. II, pp. 652-653, the quote is on p. 653. The book was first published by the University of Chicago Press in 1940 but was reissued in 1966.

<sup>2</sup>Williams, Federal Aid, p. 38.

<sup>3</sup>"People Do Starve," The New Republic, Vol. 72 (October 5, 1932), p. 193.

<sup>4</sup>Invisible relief usually meant relief received from someone other than a public or private relief agency, for example, relief received by someone from their relatives or friends.







that thousands of small, independent shopkeepers were going bankrupt endeavoring to help their neighbors. It reported that the Philadelphia Record found numerous butchers, bakers, and grocers heavily in debt because they had on their books unpaid accounts which in some cases ran into the hundreds of dollars.<sup>1</sup>

On the outskirts of many towns and cities transient men, out of work, threw up makeshift houses, really shacks of cardboard, tin, tarpaper, and rusted materials from the dumps. These men represented a dispirited lot struck down by the depression. They kept alive somehow from garbage, bread lines, and soup kitchens. William Leuchtenburg estimated that from one to two million men<sup>2</sup> were wandering and living this way, and many were seriously looking for work which was generally impossible to find. The mayor of Monterey Park, California, estimated on December 1, 1931, that 1200 transients were moving into California every day.<sup>3</sup> Murray Morgan in his book Skid Road presented a very graphic account of a group of transients living in a Seattle "Hooverville".<sup>4</sup> A few found part-time jobs in the city but most of the roughly 630 men were unemployed; practically all of the men had been

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<sup>1</sup>Mauritz A. Hallgren, "Mass Misery in Philadelphia," The Nation, Vol. 134 (March 9, 1932), pp. 275-277.

<sup>2</sup>William Leuchtenburg, Franklin D. Roosevelt And The New Deal (New York: Harper and Row, 1963), p. 17.

<sup>3</sup>Hopkins, Spending to Save, p. 67.

<sup>4</sup>Murray Morgan, Skid Road: An Informal Portrait of Seattle (New York: The Viking Press, 1951, 1960), pp. 225-230.



employed before the depression.

One of the most dire reports concerning the seriousness of the depression and the inadequate relief measures was made by the American Association of Social Workers to the LaFollette-Costigan Committee of the Senate in January of 1933.<sup>1</sup> The report summarized material gathered from social workers in forty-four cities and adjacent areas in twenty-five states and the District of Columbia. The report did not contain information about small communities or isolated industrial and mining areas because social workers primarily worked in centers of large population. However, the report claimed that it was generally known organized relief was not as effective in smaller communities as in the areas covered by the study. In the areas of the study, application for relief had soared greatly with the coming of winter. One city reported a 300 per cent increase in the number of families aided over the previous year and an increase of only 30 per cent in relief funds. The average city aided 32 per cent of the totally jobless, and in the thirty cities for which there were estimates of unemployment 25 per cent of the totally and partially unemployed were receiving relief. Some cities reported that no work or home relief was made to childless families; no relief, or very inadequate relief, was given to unattached men and women. The study declared that it was difficult to say how many families of those in need received relief because of the varying standards of eligibility; however, a general situation of destitution prevailed.

It was difficult to obtain accurate statistics and the various

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<sup>1</sup>David A. Shannon (ed.), The Great Depression (Englewood Cliffs, New Jersey: Prentice Hall, Inc. 1960)pp. 38-40.





reports noted this. Many unemployed people were just floating around the country; many farmers were moving from drought-stricken states to the west coast; many were moving to the cities, and some people living in cities were moving out to live in the country. Often farmers were not classified as unemployed although their farms had ceased to provide any employment or income for them. Numerous migrant farm laborers were also unemployed once farms in drought areas ceased to produce, or once their landlords in nondrought regions of the nation were unable to sell the produce of the farms. Often unemployed people would not apply for aid because they were ashamed to do so; they would even let their children go without food rather than apply for relief.<sup>1</sup> Many people would rather approach starvation than seek aid because to them this application for aid meant utter failure.

President Hoover believed private charity should be the first means employed to aid the poverty-stricken, and then if need be, local and then state funds would have to be used; he was opposed to Federal grants or any great involvement of the Federal government in relief matters. Yet private, local, and state funds were proving inadequate, and people everywhere were crying for Federal aid for relief.

In September 1931 the National Organization of Community Chests held special drives to see if charitable subscriptions might be able to meet the pressing relief needs, but the funds obtained were found to be "hopelessly inadequate".<sup>2</sup> Senators Costigan and LaFollette, who continually dug up evidence concerning the misery of the nation, quoted

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<sup>1</sup>Bellush, Franklin D. Roosevelt As Governor, p. 136.

<sup>2</sup>Abbott, Public Assistance, p. 513.



the testimony of Allen Burns, head of the Community Chest, who said during the winter of 1931-32 that in cities like Pittsburgh, Philadelphia, and Cleveland "we are just appalled and absolutely dumb-founded as to how they are going to get funds to get through."<sup>1</sup>

Of great significance was a passage which appeared in the Wall Street Journal in the summer of 1931 which declared; "Our experience last winter has made it fairly clear that, notwithstanding the generous response of private persons to appeals for funds, the need is too great to be satisfied by the voluntary contributions of individuals."<sup>2</sup> Even business leaders as early as mid-1931 realized the need for legislation for relief funds. By mid 1932 many businessmen were in favor of not only using state monies for relief but also Federal funds. For example the mayor of Chicago on June 4, 1932, sent a telegram to Washington explaining that Federal aid was necessary for relief to prevent absolute catastrophe; the telegram was signed by the mayor, his corporation counsel, the auditor of accounts, and the leading businessmen and newspaper publishers in Chicago.<sup>3</sup>

An editorial in The Commonweal of January 25, 1933, explained that voluntary private resources for relief had reached their limit and were totally inadequate.<sup>4</sup> In addition it explained that little more

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<sup>1</sup>Hopkins, Spending to Save, p. 70.

<sup>2</sup>"Can Charity Cope With The Wolf at the Door?" The Literary Digest, Vol. 110 (July 11, 1931), p. 21.

<sup>3</sup>Hopkins, Spending to Save, pp. 76-77.

<sup>4</sup>"The Crisis In Relief," The Commonweal, Vol. 17 (January 25, 1933), p. 338.





could be expected of cities or municipalities as they were on the verge of bankruptcy. This was nothing new; innumerable journal articles were stating the same thing and had been for some time.

Before continuing it might be of some aid to the reader to clarify the often used term "local relief". Generally it was a "catch-all" term for the many ways the unemployed and poor were cared for before the state and Federal governments became actively and directly involved in relief activities. In most parts of the nation the boards of county commissioners or township trustees were legally responsible for the care of those in need. The poor, if they were destitute for help, made application to the commissioners, who either sent them to a county poor house where they obtained room and board or else gave them direct relief in their homes. To pay for the cost of such relief a small county tax was levied. In some counties the county judge instead of the commissioners was responsible for the administration of any relief given. By 1931 about 500 counties had organized special welfare boards to administer relief; about half of these boards were made up of volunteer help. The remaining 2000 rural counties had practically no social agencies in operation.<sup>1</sup> In some states there were old age pension and dependent children laws and the administration of aid provided under these laws was generally left to the local political bodies such as the county commissioners or the township trustees. In most cases state control was nominal if it existed at all. Private agencies such as the Community Chest, the Red Cross, the Salvation Army, and Jewish Charities were also actively engaged in the distribution of relief,

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<sup>1</sup>Josephine Chapin Brown, Public Relief 1929-1939 (New York: Henry Holt And Company, 1940), p. 180.



often filling in where county or city administration of relief was lax. During 1932 and 1933 local administration of relief developed rapidly as the relief crisis deepened, with many county and city boards being organized for the specific purpose of looking after relief matters only. Many states began to exercise some control over these boards, particularly after the Federal government made provision in July of 1932 to lend money for relief to the states.

There were a number of problems with local relief. First, and probably most important, local areas were unable to raise the necessary monies to solve the relief problem; Federal grants were needed to prevent the whole relief system from collapsing. Local relief meant that the areas of the nation most in need had the most difficulty in raising funds. Large depressed areas found it literally impossible to approach relieving the distressed without the aid of funds from some other part of the country. Local relief gave rise to problems concerning taxing for relief funds; for example the Mayor's Unemployment Committee of Detroit complained in July of 1931 that 19 per cent of the recipients of welfare aid had been last employed by firms which were located outside the geographical limits of the taxing power of Detroit.<sup>1</sup> If relief was to be taken care of solely by local organizations then what about the problem of transients from some other locality or state? These people had to be fed, but naturally they would and did flock to areas where the local relief measures were best. With more than one relief agency operating in an area and with no central control, overlapping was inevitable and did occur. Coordination of

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<sup>1</sup>Hopkins, Spending to Save, p. 48.





relief activities was simply impossible. President Hoover argued that centralized control of relief would eventually destroy the liberties of the American people, but who is to say that the local authorities were not capable of the same thing? Hoover complained that a large bureaucracy would develop from central control but perhaps this was necessary. The local authorities during and prior to Hoover's term as President had no obligation to report the kind and volume of the expenditures and services they rendered. Relief was administered at the sole discretion of local authorities; if a local administrator chose to ignore someone in need of relief there was no superior supervisor to correct the failure, and there was little the person in need could do. There were many weaknesses in the type of relief carried on in America during the early depression years. Of course the system accomplished a surprising amount of good when called upon because of the depression, but it appeared that some major changes would have to take place.

This chapter thus far has alluded briefly to the political, economic, and social philosophy of President Hoover. It can be enlightening and relevant to our understanding of the depression to examine more closely his philosophy, and just what he was endeavoring to do to relieve the economic problems of the time; more particularly what he was doing to relieve the distressed and poverty-stricken.

In 1922 Hoover explained his social philosophy in a book entitled American Individualism. One particular passage very aptly expounded the crux of his philosophy:

Our individualism differs from all others because it embraces these great ideals: that while we build our society upon the attainment of the individual, we shall safeguard to every individual an equality





of opportunity to take that position in the community to which his intelligence, character, ability, and ambition entitle him; that we keep the social solution free from frozen strata of classes; that we shall stimulate efforts of each individual to achievement; that through an enlarging sense of responsibility and understanding we shall assist him to this attainment; while he in turn must stand up to the emerywheel of competition.<sup>1</sup>

In his campaign against the Democratic nominee, Al Smith, in 1928, Hoover further clarified his philosophy when he stated:

It is as if we set a race. We, through free and universal education provide the training of the runners; we give to them an equal start; we provide in the government the umpire of fairness in the race. The winner is he who shows the most conscientious training, the greatest ability, and the greatest character.<sup>2</sup>

These two quotes quite succinctly explain that Hoover's philosophy was a belief in a socio-economic system of individual competition. In this system the role of the political authorities or government was to provide equality of opportunity for all participants and act as mediators for their disputes.

In applying a system of individual competition to the economy, Hoover believed that the creation of plenty could be achieved and that cheaper goods would eventually be produced. This would enable the poorer groups in society to obtain more goods which in turn would result in increasing employment. He held that this could be done only through private industry and by rewarding men for merit, not by

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<sup>1</sup>Richard Hofstadter, American Political Tradition (New York: Alfred A. Knopf, Inc., 1948), p. 297, quoting Herbert Hoover, American Individualism.

<sup>2</sup>Ibid., p. 298..



government intervention.<sup>1</sup> He sincerely believed this system of free enterprise was the supreme economic system and would be most beneficial to the nation as a whole because it would out-produce any other system. Hoover had sufficient reason to believe this; since his childhood he had seen American technology improve tremendously and of course productivity with it. He had also seen a great rise in wages and in the American standard of living. He did not see that this system contained any real barriers to equality of opportunity for the individual. All he had to do for verification of this belief was to look at his own background; his parents had died while he was young, yet he had still gone on to success; he had worked his way through Stanford University and had become an engineer, administrator, and millionaire.

Hoover did not call his socio-economic system one of laissez-faire, in fact he vehemently denied that it was. He asserted that the system of "let do", "go as you please", or "let nature rule" had been dead in America for years. He argued that America had devised many regulations to prevent economic domination by the business interests.<sup>2</sup> During the Presidential campaign of 1928 he enunciated in a speech in New York that:

The very essence of equality of opportunity and of American individualism is that there shall be no domination by any group or combination in this republic, whether it is business or political. On the contrary, it demands economic justice as well as political and social justice. It is no system of laissez faire.<sup>3</sup>

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<sup>1</sup>Ray Lyman Wilbur and Arthur Mastick Hyde (eds.), The Hoover Policies (New York: Charles Scribner's Sons, 1937), p. 32, quoting from a speech made by Herbert Hoover at Denver, Colorado, October 30, 1936.

<sup>2</sup>Ibid., p. 13, quoting from Herbert Hoover, The Challenge to Liberty.

<sup>3</sup>Ibid., p. 20.



Often in his writing and speaking Hoover sounded as if he was expounding the "New Freedom" philosophy of President Woodrow Wilson, although this parallel should not be carried too far.

Herbert Hoover chose to call his philosophy the "American System". By this he fundamentally meant a socio-economic system of individual competition with the government insuring continual equality of opportunity, but this was not all. In providing equality of opportunity economic freedom was not to be impaired. He held that only through the maintenance of economic freedom could other freedoms be preserved. For example in his speech of October 31, 1932, in New York he contended that:

Expansion of government in business means that the government in order to protect itself from the political consequences of its errors, is driven irresistably without peace to greater and greater control of the nation's press . . . Free speech does not live many hours after free industry and free commerce die.<sup>1</sup>

In the same speech Hoover further enunciated what he meant by his "American System" when he explained that there must be voluntary co-operation within the community to take care of the unfortunate and suffering, that every individual must treat his neighbour as his brother in times of distress. If the individual were free, argued Hoover, there would be a willingness of men to co-operate to solve their problems; however, if all authority was centralized in the Federal government the responsibility of the individual would inevitably be undermined. To continue his argument Hoover maintained that at times

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<sup>1</sup>William Starr Myers And Walter H. Newton (eds.), The Hoover Administration (New York: Charles Scribner's Sons, 1936), p. 520.







of emergency the resultant problems might be beyond the control of individuals and that they might even be beyond the control of communities and states. Only then should the powers of the Federal government be used to help organize the necessary cooperation. Once the crisis had passed a return to state and local control, and individual responsibility must be brought about.<sup>1</sup> He clung tenaciously to this ideology while President, and in fact to the end of his life he vociferously defended it.

President Hoover's program in meeting the emergency of unemployment and poverty from 1930-32 illustrated well his philosophy. On October 21, 1930, Hoover established the President's Emergency Relief Organization, and through the governors, State Unemployment Relief Committees were organized where relief was needed. Soon this was decentralized into more than three thousand local committees.<sup>2</sup> This organization's primary purpose was to organize local relief and each committee was to act as a clearing house for job opportunities.

In the early winter of 1931 the Senate attempted to create direct Federal relief. President Hoover replied that this would break down local responsibility and strike at the roots of self-government. He further stated, "the basis of successful relief in national distress is to mobilize and organize the infinite number of agencies of self help in the community."<sup>3</sup>

In the winter of 1932 President Hoover decided to distribute

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<sup>1</sup>Ibid., pp. 517-518.

<sup>2</sup>Wilbur and Hyde (eds.), The Hoover Policies, p. 374.

<sup>3</sup>Ibid., p. 375, quoting from the State Papers of Herbert Hoover, Vol. I, p. 496.



the surplus commodities of the Farm Board. He secured the voluntary support of the Red Cross to manage the distribution of the commodities to state and local relief committees. Congress authorized on March 7, 1932, the distribution of 40,000,000 bushels of wheat and on July 5, 250,000,000 pounds of cotton and 45,000,000 more bushels of wheat.<sup>1</sup> President Hoover constantly argued against making Federal grants to the states for relief, yet in effect this was what was being done when the surplus commodities of the Federal government were distributed. This was one of the few times that Hoover compromised his ideology.

The question of using Federal funds for unemployment relief produced a struggle between Hoover and Congress. During the winter of 1932 a number of relief bills were sponsored in both houses by various members of Congress. Hoover was against these bills and finally in July vetoed a bill proposing \$2.3 billion for relief which had passed both houses.<sup>2</sup> President Hoover also vetoed a bill that would have appropriated \$2 billion for public works. Finally with the relief situation worsening, Hoover did sign the Emergency Relief and Construction Act on July 21, 1932. It was an amendment to the Reconstruction Finance Corporation Act and it authorized the Reconstruction Finance Corporation to lend \$300,000,000 of its funds to the states for direct and work relief.<sup>3</sup> Some might believe that Hoover

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<sup>1</sup>Ibid., p. 378.

<sup>2</sup>Albert U. Romasco, The Poverty of Abundance (New York: Oxford University Press, 1965), p. 222.

<sup>3</sup>Ibid., p. 223.



had now gone farther than the ideology of the "American System" allowed him, but not really when one considers that this money was only to be loaned. And he further stated, "These loans are to be based upon absolute need and evidence of financial exhaustion. I do not expect any state to resort to it except as a last extremity."<sup>1</sup> To Hoover's credit it must at least be said that he took more direct executive action than had ever been taken before during a depression.

On October 22, 1932, at Detroit, President Hoover affirmed that the low point of the depression had been reached during the previous summer and recovery was now on the way. He explained that manufacturing had increased 10 per cent, car loadings had increased, exports had gone up, agriculture prices had risen, bank failures had almost ceased, and that every business index showed improvement.<sup>2</sup> One might note, however, that some improvement was to be expected with the operation of the Emergency Relief and Construction Act. Hoover later advanced the theory that once Roosevelt won the election there was a great fear of currency tinkering which halted the process of recovery. Hoover claimed Roosevelt would not assure him in the winter of 1933 that he would hold to the existing gold standard when he became President, and this caused the bank panic of February and March. Hoover further argued that business in general was afraid of what direction Roosevelt's policies might take the nation, and so ceased to continue

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<sup>1</sup>Wilbur and Hyde (eds.), p. 379, quoting from Hoover's State Papers, Vol. I, p. 236.

<sup>2</sup>Myers and Newton (eds.), pp. 270-271, quoting from Hoover's State Papers, Vol. II, p. 364.







its expansion.<sup>1</sup> The recovery phase of the depression would have continued, alleged Hoover, had he won the election. This is a startling theory but it can never be proved conclusively wrong. Most students of the depression do not agree with Hoover, and it has been the argument of this text that Hoover was not doing enough to cope with the problems of the depression, especially the urgent ones of unemployment distress. President Hoover appeared trapped by an ideology that would not allow him to change.

The question facing the American people in the fall and winter of 1932-33 was whether President Roosevelt would be any different from President Hoover in his attitude and actions with regards to the depression. Roosevelt had often been vague in his campaign speeches; on specific policies he often did not differ much from what Hoover was advocating. In his campaign he did not mention a gigantic Federal public works program; he did not mention the T.V.A. or the N.R.A., or increased income taxes on the wealthy, Federal housing, or a national labor relations board, or massive relief programs and many other policies which eventually became part of the New Deal. He did not mention them because many had not yet been thought out, but he also realized that the election was his simply by avoiding controversies.<sup>2</sup> Yet if one looked at what Roosevelt did in New York as governor and examined closely his public addresses prior to the time of his election as President, one could see that Roosevelt held a very different attitude from Hoover concerning the place of government in

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<sup>1</sup>Ibid., chap. XVIII, pp. 329-346.

<sup>2</sup>Leuchtenburg, Franklin D. Roosevelt And The New Deal, p. 12.



attempting to solve depression problems. This difference was particularly noticeable in respect to Roosevelt's position concerning government involvement in a scheme of relief.

Governor Roosevelt was at first slow in reacting to the depression; it was not until 1931 that he really began actively to involve his administration with its problems. In March of 1930 he maintained that the depression would be short-lived. In this belief he was expressing the same confidence as President Hoover. By the time of his address to the legislature January 7, 1931, he began to express some worry about the rising unemployment. He noted, however, that his Committee on Stabilization of Industry, which had been organized the previous spring, was making some headway in keeping unemployment down.<sup>1</sup> The purpose of the committee was generally to make known all possible employment openings.

By June of 1931 Roosevelt was suggesting some type of experimentation in order to restore the economic order. He stated that:

The rules and remedies of the past do not form an answer to the restoration of the machine. Probably new and untried remedies must at least be experimented with. Everyone of the new factors in our lives is the result of experimentation. And it is therefore only logical and not radical to insist that through experimentation also we must solve the social and economic difficulties of the present.<sup>2</sup>

In his general introduction to his public papers he claimed that he had always followed a "consistency and continuity of broad purpose" and by

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<sup>1</sup>The Public Papers And Addresses Of Franklin D. Roosevelt, Volume One, The Genesis Of The New Deal 1928-1932 (New York: Random House, 1938), pp. 102-103.

<sup>2</sup>Bellush, Franklin D. Roosevelt As Governor, p. 134.



this he meant he had maintained democratic government and he had fought to help the people gain better social justice. But because of the need of experimentation concerning specific methods there were some inconsistencies.<sup>1</sup> In May of 1932 in a commencement address at Oglethorpe University he declared, "The country needs and, unless I mistake its temper, the country demands bold, persistent experimentation."<sup>2</sup> This underscored a major part of his philosophy, that is, he was willing to act. Roosevelt did not have an ordered social gospel, but he was pragmatic; his criterion was whether a project fulfilled the purpose for which it was created or not.

On August 28, 1931, in a speech to a special session of the State Legislature Roosevelt stated:

One of the duties of the State is that of caring for those of its citizens who find themselves the victims of adverse circumstance as makes them unable to obtain even the necessities for mere existence without the aid of others . . .

To these unfortunate citizens aid must be extended by Government, not as a matter of charity, but as a matter of social duty.<sup>3</sup>

Governor Roosevelt was beginning to realize that the system of local relief was inadequate to cope with the mounting distress. He also expressed the concept that it was the social duty of government to intervene. This quite definitely was a philosophy at variance with President Hoover's ideas. Soon after, Roosevelt was able to get the Wicks Bill through the New York legislature which created the Temporary

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<sup>1</sup>The Public Papers . . . Of Franklin D. Roosevelt, Volume One . . ., p. XIII.

<sup>2</sup>Ibid., p. 646.

<sup>3</sup>Ibid., pp. 458 and 459.







Emergency Relief Administration. It was "to administer relief by furnishing employment, food, clothing, and shelter for needy persons who had been in the State for two years prior to November 1, 1931."<sup>1</sup> By early March, 1932, 75,000 were receiving work relief and 82,100 home relief.<sup>2</sup> The T.E.R.A. was to expire June 1, 1932, but Roosevelt fought to have it extended and he fought to gain more money than the original \$20 million which had been appropriated.<sup>3</sup> Roosevelt also hoped that the administrators would endeavor to seek out those in need, as many of the poor were ashamed to apply for aid.<sup>4</sup> Some of the other states began to follow the example set by Roosevelt and create their own Emergency Relief Administrations. Franklin Roosevelt had forecasted a theme of the New Deal with his T.E.R.A., from there it would not prove to be an enormous jump to the concept of the Federal Emergency Relief Administration. Robert Sherwood in his book Roosevelt and Hopkins: An Intimate History explained the significance of the T.E.R.A. by saying that Roosevelt "was setting a precedent he was to follow again and again in the New Deal . . . he was devising a new agency to meet a new problem rather than relying on the established department or bureau (in this case, the State Department of Public Welfare)."<sup>5</sup>

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<sup>1</sup>Bellush, Franklin D. Roosevelt As Governor. p. 142.

<sup>2</sup>Ibid., p. 143.

<sup>3</sup>Ibid., p. 144.

<sup>4</sup>Hillary M. Leyendecker, Problems and Policy in Public Assistance (New York: Harper & Brothers, 1955), p. 66, quoting the New York Assembly Journal, 1931, III (extraordinary session), pp. 21-29.

<sup>5</sup>Robert E. Sherwood, Roosevelt and Hopkins: An Intimate History (New York: Harper & Brothers, 1948, 1950), pp. 31-32, the quote is on p. 31.



Since Harry Hopkins, a New York social worker was to be appointed head of the F.E.R.A. in 1933 and was to have a significant influence on Roosevelt, it might be well to look quickly at his background and his role in New York while Franklin Roosevelt was governor.<sup>1</sup> In 1921 Hopkins was appointed head of a commission to study health conditions in New York. He soon discovered it was almost impossible to do a thorough job on a local scale as people continually moved from one administrative area to another. Hopkins was soon led to think in terms of larger and larger administrative areas. In 1925 Hopkins was appointed Executive Director of the New York Tuberculosis Association. He never seemed to worry about cost until after a project was completed, and this was a fault or possibly a virtue which he never lost in later administrative positions. When the T.E.R.A. was set up Hopkins was appointed deputy to the Chairman and a year later he was appointed Chairman. Hopkins did his work speedily and well allowing Roosevelt to spend most of his time working toward his nomination and election as President.

By the winter of 1932 Roosevelt advocated Federal support to the states for unemployment relief. He sent a telegram to Senator Robert Wagner urging the passage of the Federal Emergency Relief Bill.<sup>2</sup> He argued that it would equalize the burden throughout the nation and that it was necessitated "to prevent starvation and distress in this present crisis." He asserted that large public works projects would not relieve distress at the moment and this was why he was for the Emergency Relief

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<sup>1</sup>Ibid., chapter 1, passim.

<sup>2</sup>The Public Papers . . . Of Franklin D. Roosevelt, Volume One . . ., p. 468.



Bill. Throughout the summer and fall Roosevelt advocated that relief activities should be unified and he often argued for a greater role to be played by the Federal government in relief. For example during a speech in Albany, New York, July 30, 1932, Roosevelt explained he was against the theory of local relief and that one of the Democratic campaign planks advocated the extension of Federal credit to the states for unemployment relief when the states were unable to provide for the needy.<sup>1</sup> On October 31st in Boston, Roosevelt declared that the Federal government's duty was to help the states carry the burden of unemployment relief.<sup>2</sup> Roosevelt, however, was often rather vague. During the course of his campaign, he never outlined what was to become the Federal Emergency Relief Administration. Yet Roosevelt had presented a general philosophy concerning Federal government responsibility toward the unemployed which was quite different from that of President Hoover. Whether Roosevelt and his administration would solve the problems of the depression or not was a question unanswered in early November of 1932, and of course it is still a debatable question. One though could expect some significant changes. Roosevelt's large election victory signified that changes would be welcome and the distress, gloom, and depressed condition of the nation illustrated they were necessary.

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<sup>1</sup>Ibid., p. 663.

<sup>2</sup>Ibid., p. 851.





## CHAPTER II

### THE ESTABLISHMENT AND EXAMINATION OF THE FEDERAL EMERGENCY RELIEF ACT

After the election in November 1932, Roosevelt and his advisors, who were known as the "brain trust", immediately set to work preparing for the inauguration of the Democratic administration. The brain trust "showered Roosevelt with memos and notes and privately drafted bills they hoped would fill the vacuum."<sup>1</sup> However, not very much was said or done toward organizing a Federal bill for direct relief. Such projects as public works were discussed and public works were considered a relief measure in that they would provide jobs for the unemployed, but this was not direct relief. Rexford Tugwell, a member of the brain trust, alleged that Roosevelt was prejudiced against direct relief because he felt it eroded character, therefore he was more favorable toward developing work relief projects,<sup>2</sup> such as public works or the Civilian Conservation Corps.

During the early Depression years Roosevelt's thinking was similar to that of Hoover in that they both believed relief was the responsibility of private, and if need be, state agencies. F.D.R. managed to modify this belief. In late January of 1933 Senator

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<sup>1</sup>Alfred B. Rollins, Jr., Roosevelt & Howe (New York: Alfred A. Knopf, 1962), p. 368.

<sup>2</sup>Rexford G. Tugwell, The Democratic Roosevelt (Garden City, New York: Doubleday & Company, Inc., 1957), p. 280.



Costigan of Colorado asked Roosevelt to urge Senators Robinson, of Arkansas, and Wagner of New York to support a Costigan-LaFollette bill, which would establish a fund of \$500 million in the R.F.C., to be given directly to the states for unemployment relief. In a telegram to Senator Costigan Roosevelt replied, "Have wired Arkansas and New York as you suggest. Hope much we can get results. Feb. 3, 1933."<sup>1</sup> However, before March neither Roosevelt, nor his advisors seemed to have devised a direct relief program. Nevertheless, they did definitely favor grants from the Federal government to the states for relief, rather than following President Hoover's policy of loans.

In his inaugural address on March 4th President Roosevelt talked briefly about unemployment relief, but he was not very specific. He talked of "the unifying of relief activities which today are often scattered, uneconomical, and unequal." He also said the most important task was to relieve the vast unemployment.<sup>2</sup> By this last statement Roosevelt was not thinking solely in terms of a direct relief program to accomplish this end.

In an address before the Governor's Conference at the White House on March 6th he affirmed that the Federal government certainly could not let anyone starve, but concerning matters of relief the first responsibility was on the locality, the town, the county, and the city. The next responsibility was on the states and if relief funds were still insufficient then of course it was the Federal government's duty

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<sup>1</sup>Elliot Roosevelt and Joseph R. Lash (eds.), F.D.R. His Personal Letters: 1928-1945 (New York: Duell, Sloan and Pearce, 1950), pp. 326-327, the quote is on p. 326.

<sup>2</sup>The Public Papers And Addresses Of Franklin D. Roosevelt, Volume II, The Year of Crisis 1933 (New York: Random House, 1938), p. 13.



to step in. President Roosevelt also declared that he thought he would create some kind of "central relief agency which will be a fact-finding body, which will coordinate the work of States, and act as a clearing house for the relief of the Nation. I hope to get that set up in the next two or three weeks."<sup>1</sup> It is quite obvious from the above statements that President Roosevelt was not very specific as to the type of relief program he would endeavor to organize. In neither address were direct grants to the states mentioned.

Frances Perkins, Secretary of Labor in Roosevelt's cabinet, argued that by March 1933 "the New Deal was not a plan with form and content," that Roosevelt did not have a fixed program when he got to Washington. "As Roosevelt described it," she said, "the 'new deal' meant that the forgotten man, the man nobody knew much about, was going to be dealt better cards to play with."<sup>2</sup> By the "forgotten" or "little man" President Roosevelt meant the little merchant, the small householder and homeowner, the farmer who worked the soil by himself, the man who worked for wages. These were the desperate people of the depression.<sup>3</sup> F.D.R. did set a climate for change, change that would help the little man, and he gathered around him advisors willing to search for new methods to cope with the emergency problems of the depression. He had contended that the country needed experimentation.<sup>4</sup>

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<sup>1</sup>Ibid., p. 19.

<sup>2</sup>Frances Perkins, The Roosevelt I Knew (New York: The Viking Press, 1946), p. 166.

<sup>3</sup>Ibid., p. 166.

<sup>4</sup>The Public Papers . . . Of Franklin D. Roosevelt, Volume I . . .  
p. 646.





It was not novel then that President Roosevelt supported grants-in-aid to the states for relief, or that he favored a Federal Emergency Relief Act when some of his advisors suggested the idea to him.

At this stage it appears most important to examine precisely how the idea for a grant-in-aid Federal relief act arose, and who the influential people were in drafting such a bill to send to Congress. Considering the emergency which the United States found herself in by the spring of 1933 it was obvious that the Democratic Congress would waste little time in passing almost any relief measure.

A member of the brain trust, Raymond Moley, was the liaison man between the White House, the executive departments, and Congressmen immediately concerned with much of the legislation passed during the "Hundred Days". His role was also important in the organization of a Federal relief act. Early in March, Moley was asked to dine with the two Senators who constantly advocated Federal relief measures, Senator Costigan and Senator LaFollette of Wisconsin; Rexford Tugwell and some others were also there. Relief was the center of discussion. Moley did say he would make some suggestions to the President.<sup>1</sup>

Frances Perkins, Secretary of Labor, stated that shortly after the inauguration, Harry L. Hopkins, Chairman of the New York State T.E.R.A., and William Hodson, director of the Welfare Council of New York City, came to see her in Washington. The three of them met at the Women's University Club where Hopkins and Hodson laid out "a plan for the immediate appropriation by the Federal Government of

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<sup>1</sup>Raymond Moley, After Seven Years (New York: Harper and Brothers, 1939), pp. 172-173.



grants-in-aid to the states for unemployment relief." Miss Perkins was "impressed by the exactness of their knowledge and the practicality of their plan."<sup>1</sup>

On March 14th, at a breakfast with Secretary Perkins, Moley declared that Miss Perkins outlined an idea for grants-in-aid to the states for relief. She explained Senators Wagner, Costigan, and LaFollette had been working over the plan and agreed on the details. Moley promised to relay this to Roosevelt, which he did later that morning. Roosevelt however began to describe an idea about putting unemployed young men to work in the forests and national parks, an idea he maintained he had been thinking about for some time. Moley suggested they draft a resolution on the proposed Civilian Reclamation Corps, the title President Roosevelt had in mind at the time, and give it to the appropriate cabinet members. Moley maintained, "This was a way, I saw, . . . to give the Wagner-Costigan-LaFollette group, through Secretary Perkins, a legitimate chance to describe its broader recommendations."<sup>2</sup>

The memorandum was as follows:

Roosevelt To The Secretaries of War, Interior, Agriculture and Labor. Washington, March 4, 1933.  
 Memorandum . . . I am asking you to constitute yourselves an informal committee of the cabinet to coordinate the plans for the proposed civilian Conservation Corps. These plans include the necessity of checking up on all kinds of suggestions that are coming in relating to public works of various kinds. I suggest that the Secretary of the Interior act as a kind of clearing house to digest the suggestions and to discuss them with the other three members of the informal committee.<sup>3</sup>

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<sup>1</sup>Perkins, The Roosevelt I Knew, p. 184.

<sup>2</sup>Moley, After Seven Years, pp. 173-174, the quote is on p. 174.

<sup>3</sup>Edgar B. Nixon (ed.). Franklin D. Roosevelt & Conservation, 1911-1945 (Washington: Government Printing Office, 1957), Vol. I, p. 138.



The next morning, March 15th, the four secretaries, in a meeting with the President, presented a reply to his memorandum of the previous day:

The secretaries of War, Interior, Agriculture and Labor To Roosevelt. Washington, March 15, 1933.

Memorandum For The President: In response to your memorandum of March 14, 1933, the undersigned have considered not only the draft of the Bill with regard to the Civilian Conservation Corps, but also as a whole program of relief for industrial unemployment. We are of the opinion that there are three items to be considered in this program.

1. Federal appropriation for grants-in-aid to the various states for direct relief work. (The details of such a Bill are now practically agreed upon between Senators Wagner, Costigan, LaFollette, and Secretary Perkins).<sup>1</sup>

The other two bills concerned public works and the Civilian Conservation Corps. The four secretaries set forth that the three measures be presented as three separate bills in order that the debate on each might be suitably differentiated. However, the secretaries wanted the President to introduce them at the same time and wanted it pointed out that this was a three-fold attack on the distress caused by unemployment. It was also maintained that prompt action upon these bills would start reconstruction by helping those at the bottom, that is the wage-earning and purchasing class; prosperity would then work up through all classes. They felt Roosevelt should emphasize to Congress that by building up the purchasing power of the wage-earners business would also be stimulated.<sup>2</sup>

After some preliminary talks President Roosevelt asked Senators Wagner, Costigan, and LaFollette to draw up a bill to establish the

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<sup>1</sup>Ibid., p. 141.

<sup>2</sup>Ibid., p. 142.







Federal Emergency Relief Administration,<sup>1</sup> and on March 21st Roosevelt made a major address to Congress about the proposed C.C.C., F.E.R.A., and the P.W.A. He said the appropriations made by the R.F.C. to the states for relief would last until May, but that a continuation of Federal aid in many states would still be a definite necessity.

President Roosevelt further asserted he wanted someone to check the grants of aid and thus he wanted Congress to establish "the office of Federal Relief Administrator, whose duty it will be to scan requests for grants and to check the efficiency and wisdom of their use."<sup>2</sup> This March 21st message was referred in the Senate to the Committee on Education and Labor, and in the House to the Committee on Labor. In April the House Banking Committee also heard opposition to the bill. On May 12, 1933, the final bill had been approved by both houses of Congress and was signed by President Roosevelt as the Federal Emergency Relief Act of 1933.<sup>3</sup>

The Emergency Relief Act is quite short and is generally self-explanatory.<sup>4</sup> However it still lends itself to some analysis and debate.

Section 1 very succinctly explained the rationale and purpose of the act. It stated the economic depression had created a serious

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<sup>1</sup>Perkins, The Roosevelt I Knew, p. 184.

<sup>2</sup>The Public Papers . . . Of Franklin D. Roosevelt, Volume II . . ., p. 80.

<sup>3</sup>U.S., Congressional Record, 73rd Cong., 1st Sess., 1933, p. 3295.

<sup>4</sup>The complete Federal Emergency Relief Act is in the Appendix of this thesis, printed from Monthly Report Of The F.E.R.A. May 22nd Through June 30, 1933 (Washington: Government Printing Office, 1933), pp. 19-21.



emergency by increasing unemployment and by decreasing the ability of State and local funds to care for those in need. Therefore, it was imperative that the Federal government cooperate more effectively with the states, territories, and the District of Columbia in furnishing relief to those families and individuals deprived of or threatened with the loss of the necessities of life.

Section 2, parts (a) and (b) made it clear that \$500,000,000 was authorized to carry out the provisions of the act. Section 4(b) provided that a maximum of \$250,000,000 was to be granted to the states by a formula of one Federal dollar for every three state dollars spent for relief over the preceding three months. Quarterly grants were to be made by the Administrator upon proof of state expenditures. Section 4(c) provided that the remaining funds were to be distributed to the states at the discretion of the Federal Relief Administrator. No state was allowed to receive more than 15 per cent of the total grant according to Section 4(f). After October 1, 1933, all grants to the states were to be on a discretionary basis as Section 4(d) provided.

Section 3(a) created the Federal Emergency Relief Administration and gave the President with the advice and consent of the Senate, the authority to choose the Federal Emergency Relief Administrator, who was to exercise all the powers of the F.E.R.A. The administrator was directly responsible to the President; the F.E.R.A. was not put under any government department. Section 3(b) gave the Administrator authority to appoint and fix the compensation of all employees of the F.E.R.A., without regard to the civil service laws or the Classification Act of 1923 as amended, but the compensation was not to exceed \$8,000 in any case. This section also gave the Administrator power to assume



control of the relief administration in any state in order to bring about more efficient cooperation between state and Federal authorities. By Section 3(c) the Administrator or someone authorized by him was given power to make any investigation pertinent to the furthering of the purposes of the act. The decision of the Administrator was final as to the purpose of any expenditure according to Section 4(e). Certainly the position of Federal Emergency Relief Administrator was to be a very powerful executive position. However, by Section 3(d) the Administrator was required to submit to the President and to the Senate and the House of Representatives a monthly report of the activities and expenditures of the Administration.

Section 5 of the act prescribed that the governor of each state had to make application to the administrator for grants indicating the amount necessary, the provisions for adequate administrative supervision, the provisions for suitable relief standards, and the purposes for which the monies were to be used. The purposes for which the Administrator might make grants were set out in Section 4(a). He could make grants to aid in meeting administrative costs of furnishing relief plus relief in the form of money, materials, service, and commodities to persons in need and their dependents whether resident, homeless, or transient. The governor of each state by Section 6 was required to submit a monthly report to the Administrator of the disbursements made under the grants. This report had to be in the form required by the Federal Administrator.

Section 3(a) explained that the F.E.R.A. and the office of Federal Emergency Relief Administrator would cease to exist after two years from the enactment of the Relief Act. However, the life of the Administration was extended by the Emergency Relief Appropriation Act of 1935, until







June 30, 1936. (Public Resolution No. 11, 74th Cong., approved April 8, 1935).<sup>1</sup>

This act contained a number of possible problem areas. The Administrator had more power and responsibility placed on him than even the best of administrators would be able to carry. In a time of emergency a single Administrator simply would not have the time to give adequate thought to each of the voluminous number of problems with which he would be confronted. However, the appointment as Administrator of a progressive minded man, in terms of relief requirements, would go a long ways toward insuring the establishment of a very humanitarian relief system.

Discretionary grants to the states, that is grants given without a formula, certainly was not an ideal arrangement. For one thing this would cause difficulty for the state relief administrations in their efforts to make any long-range relief plans. Discretionary grants left too much power in the hands of one individual. This created the possibility of political bargaining and it created the possibility that those states which "cried the loudest" would receive the most money. Often, during the life of the F.E.R.A., a state with a larger percentage of its population on relief than a neighboring state received less Federal money in percentage terms than its neighbor. For example during 1935 Virginia, with 9 per cent of its families on relief, had 94 per cent of its relief bills paid by the Federal government; West Virginia however, with 21 per cent of its resident families on relief, had only

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<sup>1</sup>Williams, Federal Aid, p. 62.



85 per cent of its relief bills taken care of by Washington.<sup>1</sup> The possibility that the F.E.R.A. would be used for patronage purposes by the Democratic Party and that the Relief Administrator would be inclined to give larger grants to states with Democratic administrations was evident. Certainly the Administrator was granted adequate powers to do this, and many were to make the charge that such was done. However, the most vociferous complaints against the F.E.R.A. were to come from Democratic governors and Congressmen;<sup>2</sup> maybe these critics expected it to be a giant spoils system which it was not.

The Federal Emergency Relief Act did not allow the Federal government to take over the whole relief administration; instead it allowed each state to organize its own relief organization. To some this might have seemed that the new relief set-up was not very far removed from the idea that relief was a local and not a national problem. This argument had some merit but it must be qualified considering the circumstances. Had there been more time to plan the creation of a Federal relief agency, and had the F.E.R.A. been dealing with a less pressing emergency than existed in the spring of 1933 the above argument may have been valid. However, there was simply no time to build up a Federal relief agency from the start, therefore much of the existing relief machinery had to be employed.<sup>3</sup> President Roosevelt left himself open to criticism by those who advocated greater Federal participation in and control of relief in the nation with his official pronouncement

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<sup>1</sup>Abbott, Public Assistance, Vol. II, p. 670.

<sup>2</sup>Williams, Federal Aid, p. 158.

<sup>3</sup>Ibid., p. 58.



on May 12, 1933, at the signing of the Federal Emergency Relief Act.

He declared:

The principle which I have on many occasions explained is that the first obligation is on the locality; if it is absolutely clear that the locality has done its utmost but that more must be done, then the State must do its utmost. Only then can the Federal Government add its contribution to those of the locality and the State.<sup>1</sup>

This statement expressed an ideology not unlike that which President Hoover presented. Quite obviously President Roosevelt did not want the separate states to expect they could suddenly cease their efforts to provide relief. The Federal government was at last giving grants, but it was not in a position to supply the relief needs of the nation completely. In his defense Roosevelt noted that the statute recognized that "relief was not the complete responsibility of the States and their local political subdivisions," and "it provided for outright grants to States for relief purposes instead of the prior system of making loans . . . ." The statute also "recognized that relief was a social problem to be administered by a social agency rather than by the Reconstruction Finance Corporation, which was purely a financial agency."<sup>2</sup>

As early as May 6th it was publicly announced that Harry L. Hopkins of the New York T.E.R.A. was slated to be the coordinator between the Federal government and the states in disbursing the \$5,000,000,000 grants-in-aid.<sup>3</sup> On May 20th Roosevelt named Hopkins as the Administrator

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<sup>1</sup>The Public Papers . . . Of Franklin D. Roosevelt, Volume II . . ., pp. 183-184, the quote is on p. 183.

<sup>2</sup>Ibid., p. 184.

<sup>3</sup>New York Times, May 6, 1933, p. 6.





of the F.E.R.A. and on May 22nd Hopkins began work in his new position. Edith Abbott, who was generally critical of the F.E.R.A., acknowledged that hopes of "new relief policies in line with modern social-welfare thinking" were awakened when Hopkins, "an experienced social worker of national reputation," was appointed Administrator of the new relief act.<sup>1</sup> Some people however, were not so certain that they appreciated Mr. Hopkins. The May 23, 1933, headline of the Washington Post was "Money Flies." The article then went on to say, "The half-billion dollars for direct relief of States won't last a month if Harry L. Hopkins, the new relief administrator, maintains the pace he set yesterday in disbursing more than \$5,000,000 during his first two hours in office."<sup>2</sup> Hopkins rapidly gained a reputation as a spender but some fast spending was necessary. Hopkins had become known as a brilliant organizer and an efficient administrator before he ever arrived in Washington. An article in the journal, Survey Graphic, in effect noted this when it stated, "On the day when President Roosevelt appointed Harry L. Hopkins as federal emergency relief administrator it was as plain as the Washington Monument that the easy-come easy-go days were over."<sup>3</sup>

Hopkins faced stupendous problems when he took office, and President Roosevelt attested to this. The President admitted that Washington knew little about the efficiency of local and state relief

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<sup>1</sup>Abbott, Public Assistance, p. 753.

<sup>2</sup>Sherwood, Roosevelt and Hopkins, p. 45.

<sup>3</sup>Gertrude Springer, "The New Deal And The Old Dole," Survey Graphic, Vol. XXII, No. 7 (July 1933), p. 349.



administrations.<sup>1</sup> In fact some states and counties did not even have relief organizations set up.<sup>2</sup> Statistics concerning all facets of relief needs were not available. Hopkins was soon to change all this. The Federal relief statute was brief, and in many places it certainly left itself open to wide interpretation. Harry Hopkins took this brief flexible statute and built a very comprehensive relief organization. He added the flesh to the bare skeleton which had been turned over to him in May 1933. The F.E.R.A. soon distinguished itself from the usual grant agency by the far greater degree of control it eventually came to exert over the governmental agencies receiving its grants.<sup>3</sup> This development of the F.E.R.A. will be the subject of the next two chapters.

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<sup>1</sup>The Public Papers . . . Of Franklin D. Roosevelt, Volume II . . ., p. 184.

<sup>2</sup>Many of the states though were very quickly following the example of New York by setting up relief administrations along similar lines. Hopkins, it might be noted, had been very influential in developing that particular relief administration.

<sup>3</sup>Williams, Federal Aid, p. 65.



### CHAPTER III

#### THE ADMINISTRATION OF THE F.E.R.A.

When Harry Hopkins took office as Federal Relief Administrator a great national problem of unemployment distress existed, and the problem was becoming increasingly severe. The relief rolls were increasing even though unemployment had apparently reached its peak. There were two fundamental reasons for this: one, the savings or resources of those unemployed but not yet on relief were becoming exhausted, and consequently they were now forced to apply for welfare; secondly, the extra resources of relatives and friends of the unemployed were rapidly being depleted, and so the last source of help other than public relief was gone for those in need. In addition, many local and state governments were on the verge of bankruptcy. The Federal Emergency Relief Act allotted grants of money to be distributed to the states to help alleviate the problem, but it set no real guidelines relating to standards of relief giving. The administration and distribution of relief was still generally assumed by Congress to be a state and local problem.<sup>1</sup> This is the point at which Hopkins stepped in as Federal Relief Administrator and proceeded to develop the F.E.R.A. into a viable instrument for the distribution of relief.

Hopkins called a conference for June 14, 1933, to be held at Washington for all governors and State Emergency Relief Administrators,

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<sup>1</sup>Brown, Public Relief, p. 175.





in which he interpreted the relief act and outlined the relief objectives and administrative policies that had been developed by mid-June.<sup>1</sup> It might be noted that the objectives discussed here, whether those given out by Hopkins at this particular conference, those of the Relief Act itself, or those enunciated in the bulletins of rules and regulations sent to each of the State Relief Administrations, are of a general nature. The more specific goals of each division or agency of the F.E.R.A. will be discussed in the next chapter. The main duty of the F.E.R.A. was to allocate Federal money to the states. As the Emergency Relief Act had stated, this was to relieve "the hardship and suffering caused by unemployment" and to "provide the necessities of life to persons in need."<sup>2</sup> Rule number three, issued by the F.E.R.A. July 11, 1933, said Federal funds were to assist "all needy unemployed persons and their dependents."<sup>3</sup> This same rule also affirmed that the State Emergency Relief Administrations and their political subdivisions were to see that needy, unemployed, and dependents received "sufficient relief to prevent physical suffering and to maintain minimum living standards." The amount of relief was to be based on an estimate of weekly needs and was to include not only food but also shelter, fuel, medical care, and other necessities.<sup>4</sup> Granted, these phrases were vague

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<sup>1</sup>Ibid., p. 151.

<sup>2</sup>See Section 4(a) of the Federal Emergency Relief Act of 1933 in the Appendix of this thesis.

<sup>3</sup>Federal Emergency Relief Administration, Rules And Regulations No. 3, July 11, 1933 (Washington: Government Printing Office, 1933), p. 2.

<sup>4</sup>Ibid., p. 3.



statements, but it must be reiterated that they were only meant to be broad outlines of what was desired in the way of relief administration. The rules issued by the F.E.R.A. were to become more specific.

At a National Conference of Social Work in June 1933, at Detroit, Hopkins said that relief must be for the unemployed only and not for many "other fine and worthy social objectives," such as "orphanages, Travelers Aid Societies, and a dozen and one other activities."<sup>1</sup> The F.E.R.A. of course believed no one should starve and so it did permit some "unemployables" to be placed on the relief rolls such as the aged, dependent mothers with children, and the physically handicapped. Some localities spent their own money for other purposes and "dumped" their "unemployables" onto the relief administration.<sup>2</sup>

By the summer of 1934 the F.E.R.A. not only wanted to insure adequacy of relief, but it also had as its objective a diversified work relief program in order to help preserve the morale and the various skills of the unemployed.

The first F.E.R.A. grant was made on May 23rd, the day after Hopkins took office as relief administrator. By the end of May, initial grants had been made to thirty-five states and by the end of June grants had been made to forty-five states plus the District of Columbia and Hawaii. Grants had been made to all the states by the end of July. By the end of December 1933, relief grants totaling \$324,500,000 had been made to every state and every United States territory.<sup>3</sup> The Federal

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<sup>1</sup>Brown, Public Relief, p. 154.

<sup>2</sup>Ibid., p. 155.

<sup>3</sup>Federal Emergency Relief Administration, Final Statistical Report (Washington: Government Printing Office, [1941]), pp. 102-103.



Emergency Relief Act enunciated that the first grants were to be on a matching basis with the states. However, as formal reporting systems were not yet in operation, the F.E.R.A. had to depend on the good faith of the several states as to how much they had spent for unemployment relief during the first quarter of 1933. By June 6th the F.E.R.A. sent special report forms to the State Relief Administrations which had to be completed in order to apply for matching grants. On June 27th Hopkins made the first discretionary grant and in early July the F.E.R.A. issued a memorandum concerning the type of information a state must supply in order to apply for relief on the discretionary grant basis.<sup>1</sup> The Federal Relief Act said that after October 1, 1933, the unexpended balance of the money allotted for grants on a matching basis could be given out by a policy of discretionary grants. After November 1933, all relief money given to the various states and territories was of the discretionary nature.<sup>2</sup>

It is not the purpose of this chapter to relate a chronological and detailed account of the events of the F.E.R.A. as they happened as this would only be confusing to a systematized discussion of the administration. The first part of this chapter has endeavored to explain briefly the over-all objectives of the F.E.R.A. and to indicate some of its early measures. The general administrative organization of the F.E.R.A. will now be of primary concern.

The Federal government wanted each state to set up an emergency relief commission which was separate from any existing state agency, so

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<sup>1</sup>Abbott, Public Assistance, Vol. II, pp. 842-843.

<sup>2</sup>Final Statistical Report, p. 103.







that the relief administration could begin to function immediately without being bound by old statutes, traditions, or administrative rulings. This made the administration of state relief more amenable to Federal control.<sup>1</sup> Many private relief agencies had been administering public funds and the F.E.R.A. wanted to get away from this practice. Rule No. 1 of the F.E.R.A., issued June 23rd, specifically declared that Federal funds were to be administered only by public agencies. This likewise allowed more Federal control of relief administration and consequently made easier the establishment of more uniform standards of relief. The rule noted that hundreds of private agencies had served freely throughout the nation and suggested that the people administering relief through these private agencies be made personnel of public relief agencies, and be compensated as any other public servant.<sup>2</sup> This new policy was followed all over the nation and affected such large private relief agencies as the Associated Charities of Cleveland, which for example turned over to the Cleveland County Relief Committee its entire emergency division including staff and case load.<sup>3</sup>

Administratively the F.E.R.A. had to allocate Federal funds to supplement state funds, determine rules to safeguard the expenditure of these funds, help the states provide good supervisory techniques for relief activities, and assist in the establishment of suitable relief standards. Hopkins organized immediately a Division of Relations with

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<sup>1</sup>Brown, Public Relief, pp. 183.

<sup>2</sup>Federal Emergency Relief Administration, Rules And Regulations Nos. 1, 2, 4, And 5 (Washington: Government Printing Office, 1933), Rule No. 1, p. 2.

<sup>3</sup>Brown, Public Relief, p. 187.



the States, and the staff members he appointed to it were almost the same as those operating with the relief section of the R.F.C.<sup>1</sup> This gave the F.E.R.A. some administrative personnel with at least some basic experience in relief administration. One should not think that the F.E.R.A. was identical to the relief section of the R.F.C., because the F.E.R.A. became a much more extensive program. While the R.F.C. exercised almost no control over the states and allowed each state to determine its own methods of distributing relief, the F.E.R.A. came to exercise wide control. In the F.E.R.A. there were seven administrators, called field representatives, appointed to work in the Division of Relations with the States. They represented the Federal Administrator, Hopkins, and were in constant touch with the State Relief Administrations.<sup>2</sup> As to the desired form of state administration, Hopkins explained at a Washington social work conference in June 1933, that each state relief organization was to have a qualified state director, and a force of field supervisors to check on the local relief units, plus an auditing staff responsible for checking local relief expenditures and making sure that every dollar was accounted for.<sup>3</sup> In order to receive grants-in-aid a state legislature was required to accept the Federal Relief Act and create a state agency with adequate power and assets to execute the work involved. The state agency had to project a plan for carrying out its activities and this plan had to meet with Federal approval. However,

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<sup>1</sup>Ibid., p. 192.

<sup>2</sup>Report of The Federal Emergency Relief Administration May 22, 1933 to December 31, 1933 (Washington: Government Printing Office, [1934]), p. 2.

<sup>3</sup>Brown, Public Relief, p. 176.



it was the state's responsibility to originate the plan and be responsible for its execution.<sup>1</sup>

Other divisions were organized to perform specialized services in relation to the entire relief program. One example was the Division of Research and Statistics. The F.E.R.A. needed information on which to base the size of grants; it needed to learn more about the nature of the relief population in order to plan better relief programs; and it needed information so that the Federal Relief Administrator might know how much he could expect each state to contribute financially for relief. Basically it needed a division to serve as a national clearing house concerning all types of statistical relief problems. On June 6, 1933, the Division of Research and Statistics<sup>2</sup> was organized to collect and interpret these statistics.

In July a Work Division within the F.E.R.A. was established to help plan and organize work divisions within each state and to be responsible for allocating money for work relief projects. This division also had the responsibility of supervising the state work divisions to make certain they followed the rules and regulations of the F.E.R.A. applying to work relief.

Among other things, section 4(c) of the Federal Emergency Relief Act set forth that "the Administrator may certify out of the funds made available by this subsection additional grants to States applying therefor to aid needy persons who have no legal settlement in any one

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<sup>1</sup>Ibid., p. 176.

<sup>2</sup>Ibid., p. 194.





State or community."<sup>1</sup> Under the authority of this subsection a Transient Division was formed in July 1933, and special rules pertaining to this type of relief were issued July 11th, in the Rules and Regulations No. 3.<sup>2</sup> The states were notified that they would receive funds for transient relief when they appointed a State Transient Director approved by the Federal Administrator. This director was to prepare a budget and a plan for transient centers. By the end of 1933, 261 transient relief centers and 63 special transient work camps had been organized.<sup>3</sup>

Other relief programs were formed within the major divisions already discussed. For example, in July 1933, the Work Division made plans to help cooperatives and self-help associations.<sup>4</sup> In September, Emergency Education relief was organized within the Division of Relations with the States.<sup>5</sup> This will be examined in chapter four under the section on special emergency relief activities.

By the end of 1933, the personnel of the F.E.R.A. consisted of the heads of the special divisions, field examiners who reviewed the expenditures and accounts of each State Relief Administration, research and statistical experts, a staff of seven field representatives who represented the Federal Relief Administrator and who were constantly in touch with the State Administrations, and the necessary stenographic

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<sup>1</sup>See Section 4(c) of the Federal Emergency Relief Act of 1933 in the Appendix of this thesis.

<sup>2</sup>Rules And Regulations No. 3, pp. 7-8.

<sup>3</sup>Brown, Public Relief, p. 260.

<sup>4</sup>Ibid., p. 195.

<sup>5</sup>Ibid., p. 195.



and clerical assistants. In each state a somewhat similar administrative set-up existed. At the local or county level most of the personnel were social case workers or investigators who made direct contact with those in need of relief and decided on the needs of the unemployed.<sup>1</sup> This completed the three layers of relief administration; the F.E.R.A. operating from Washington, the State Relief Administrations, and the local relief administrations.

The administration of relief developed rapidly under the F.E.R.A. and often haphazardly. It changed often and developed piece-meal as has been seen. The Relief Act of 1933 was not a lengthy document which spelled out the exact relief blueprint to be produced. It was not until the summer of 1934 that anything near a complete relief organization was established. By mid-1934 four major divisions existed within the F.E.R.A., each one being under an Assistant Administrator.

The Division of Research, Statistics, and Finance had developed from the Division of Research and Statistics. Its purpose was still the same as the previously described statistics division. Naturally the number of personnel had increased as the whole relief program became more extensive.<sup>2</sup>

Another major division was the Federal Work Division which encouraged states to inaugurate useful work programs. These work programs were under the immediate management of work divisions of the state and local relief administrations which planned the projects, and took charge of supervising the completion of these projects. The Federal Work

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<sup>1</sup>Report of The Federal Emergency Relief Administration May 22, 1933 to December 31, 1933, p. 5.

<sup>2</sup>Williams, Federal Aid, p. 68.



Division supplied the funds and issued orders as to how they might be spent. For example, one section of the Federal Division offered advice concerning engineering problems while other sections framed procedures concerning safety, working conditions, hours and wages.<sup>1</sup>

The third major administrative department of the F.E.R.A. was the Rural Rehabilitation Division which did not begin to function until the second quarter of 1934. Its main purpose was primarily to aid those farmers who had thus far been helped under the general relief program of work and direct relief. This division endeavored to help destitute farmers by supplying them with working capital such as cattle, horses, and farm equipment, and by adjusting their debts; or by moving farm families from submarginal to profitable land. The administration was the responsibility of the State Rural Rehabilitation Divisions organized under the State Emergency Relief Administrations.<sup>2</sup>

The fourth, and probably the most important and extensive division of the F.E.R.A., was that of Relations with States. This division's primary function was to supervise the direct relief programs of various states. As noted earlier there were seven field representatives in this major department which were the liaison or middlemen between the Federal Relief Administrator and the states. All members of this particular division were located in Washington. Field trips were made from time to time to settle the more pressing problems in various states. These trips were made by special assignment as the

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<sup>1</sup>Ibid., p. 68.

<sup>2</sup>Ibid., pp. 68-69.





field representatives had no particular region for which they had responsibility, although one field representative was usually responsible for the South, another for the New England States, etc. Most of the important decisions were made at the central offices in Washington, and so the field representative's duty was usually to give the head office an overall picture of the situation. He might recommend steps to be taken but Washington made the final decision. The field representatives generally proceeded with caution, and it was not uncommon for them to telephone to Washington several times a day for instructions.<sup>1</sup>

Other specialized field men, such as engineers of the Work Division, field examiners of the Statistics Division, and agriculture experts from the Rural Rehabilitation Division, were also sent out from the several divisions of the Washington F.E.R.A. office. These men were independent of each other as well as independent of the field representatives who were supposed to be responsible for policy matters. These special field men were only responsible to their respective division heads in the Washington office. On occasions State Relief Administrators who wanted quick action would consult whichever field representative was within reach at that moment rather than the field representative who generally worked with them. Contradictory advice was then sometimes received by the State Relief Administration, and bickering resulted between the various field men because of encroachments on one another's territory. For the State Emergency Relief Administrations in particular and for the whole F.E.R.A. in general, this was often a

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<sup>1</sup>Ibid., p. 72.



system of chaos and confusion.<sup>1</sup>

In an effort to solve to a degree these administrative problems, a reorganization of the field service took place in May 1934. The United States was divided into specific regions, each comprising several states, and a field representative was placed in charge of each region. However, a field office was now set up and the field representative operated out of this office instead of out of Washington. The number of field offices, each under a field representative, varied from eight to ten. In order that the field system might be coordinated with the entire relief organization the Federal Relief Administrator issued on May 3, 1934, the following directive:

All general orders from Washington to the states having to do either with administration or policy are to be routed through the Field Representatives and the regional offices. These orders and communications are to be cleared through the office of Aubrey Williams and to be signed by the Administrator. Correspondence having to do with specific situations, wherever possible, is to be routed through the Field Representatives and the regional offices.<sup>2</sup>

In an effort to coordinate further the relief organization and avoid duplication of effort in a region the Administrator ordered that:

All special field people from Washington going into regions from such services as the Educational, Transient, Research Department, etc., will report to the Field Representatives so that the regional offices may be informed at all times as to work being done or contemplated in their region.<sup>3</sup>

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<sup>1</sup>Ibid., p. 73.

<sup>2</sup>Ibid., p. 75, quoting Federal Rules And Regulations Bulletin of [May 3], 1934.

<sup>3</sup>Ibid., p. 76, quoting Federal Rules And Regulations Bulletin of [May 3], 1934.



To each field representative's staff, field experts were added who represented the various divisions of the F.E.R.A. headquarters in Washington. In each staff there was a social worker from the Social Service Section of the Division of Relations with States,<sup>1</sup> who advised the State Relief Administrations about such questions as the determination of eligibility for relief. Each regional staff also contained a field examiner whose duty it was to examine each state's system of accounting and statistical reporting in order to make certain that the methods were adequate to insure properly authorized expenditures of funds. He, in addition, had the responsibility of ascertaining that the relief monies were properly safeguarded by proper bonding of depositaries and officials. The field examiner could not act as an auditor, since that responsibility belonged to the states, but he advised the State Relief Administration's auditing staff so that it might maintain an effective system of auditing. Each State Emergency Relief Administration had its own auditor who had to account for, and audit all expenditures. There was in addition a staff of field auditors at the state level of relief administration, responsible to the state auditor, who regularly audited local offices.<sup>2</sup> Each regional staff had an engineer representing the Work Division in Washington; he offered the State Work Divisions technical advice with reference to the state work relief programs. The rural rehabilitation advisor of the regional office helped the states formulate and complete rehabilitation programs. A research supervisor was added to each regional staff later to advise

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<sup>1</sup>Brown, Public Relief, p. 201.

<sup>2</sup>Abbott, Public Assistance, pp. 803-804.





on state and local research problems.

At first the field representatives exercised little control over the field staffs. Staff members often communicated directly with the head office in Washington, and then gave the regional field chief carbon copies of their plans and activities. However, by the summer of 1935 the field representatives had managed to attain a much greater degree of authority over their staffs.<sup>1</sup>

Regional staffs, with fixed headquarters, became more familiar with the distinct problems of the states under their jurisdiction than was the case in the old administrative system of the different field representatives and experts operating out of Washington. To keep the policies from varying greatly from region to region the field office heads had to go to Washington periodically for conferences in which the Administrator and all other major officials of the Washington staff participated.<sup>2</sup>

There is no sure method of determining the exact influence or authority of the field representatives. It varied from individual to individual. Such factors as the personality, of both the state authorities and the chief field men, and the distance from Washington were notable in establishing the authority of the field representatives. A chief man on the West Coast, where it was difficult to communicate with Washington, was more likely to make his own interpretations of broad policy statements than a field representative near the F.E.R.A. headquarters. A strong field representative was able to assume considerable

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<sup>1</sup>Williams, Federal Aid, pp. 74-75.

<sup>2</sup>Ibid., p. 75.



authority, particularly if the Federal Relief Administrator knew him well and was impressed with his abilities. Likewise, a strong State Relief Administrator sometimes appealed over the head of his regional chief. The major policy rulings came from Washington, and it was the field representative's duty to interpret and apply them to the specific state situations. This power of interpretation gave him considerable discretionary authority. Many of the orders from Washington were purposely vague to permit adaptation to local circumstances. This also gave the field representatives more authority. For example, "the Federal rule that persons should be removed from relief rolls only in the event of a 'genuine' labor shortage left much to the discretion of the respective field men."<sup>1</sup> The field representatives as a group gained their greatest authority over a region's activities by the summer of 1935 just as they had gained dominance over their own staffs by mid-1935. Not only had they become more familiar with their responsibilities, but by mid-1935 the Washington officials of the F.E.R.A. were busy planning and beginning to administer the new Works Progress Administration.

State and local administration of relief varied widely throughout the nation. The F.E.R.A.'s ambition of course was to establish some uniformity. Before mid-1932 few State Relief Administrations had been organized, but after July 1932 they were established with great rapidity as a result of the Emergency Relief and Construction Act. The states needed agencies to handle the relief loans they could receive from the money allotted by this act. By the time the F.E.R.A. was established all but six states had organized relief administrations. These states established relief agencies soon after the F.E.R.A. had begun to function.

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<sup>1</sup>Ibid., p. 77.



Many of the states found their most pressing problems to be that of building up local relief administrations. Relief had previously been considered a local problem, but few of the old county, town, or city poor law organizations were equipped to take care of the unprecedented large numbers of unemployed. In some areas these old organizations were used as a nucleus to build better relief administrations at the local level. However, in numerous areas of the nation relief agencies of any type did not exist at all, particularly in rural areas. In some southern states such as Alabama and Texas, county or town boards occasionally devoted some of their efforts to relief problems, but they were not relief agencies as such.<sup>1</sup> Inevitably there was, during the early stages of the F.E.R.A., a wide divergence in the methods and standards of state and local relief administration.

The problem facing the F.E.R.A. was to coerce the states to build up the type of relief standards and administration which it desired. This was no simple task because of the tradition of local control of relief, and because the actual Federal Emergency Relief Act stated that this emergency relief activity was to be a cooperative effort between the Federal government and the states. The field representatives of the F.E.R.A. played a key role in helping to establish Federal control of relief. Their advisory capacity has already been discussed. They in addition had the authority to disapprove of appointments made within the State Relief Administrations. In June 1933, Hopkins had told the meeting of governors and state relief administrators that the relief personnel would have to conform to the Federal standards. Administrative Order No. 8 of the F.E.R.A., issued September 26, 1933, affirmed that the

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<sup>1</sup>Ibid., pp. 78-79.







state emergency relief personnel had to be approved by the F.E.R.A. The ruling which was sent directly to each state relief administration, was in part as follows:

The field representative of this Administration whose territory includes your State is authorized to extend or withhold this approval.<sup>1</sup>

This was issued and remained part of administrative procedure of the F.E.R.A. despite the fact that the Federal Emergency Relief Act contained no specific mandate authorizing such central control over state personnel. The field representatives were also responsible for enforcing the many rules and regulations regarding the expenditure of Federal funds, such as the wage scale to be maintained on work relief projects. The field representatives made considerable efforts to check such things as the size of family budgets in their regions and required investigation of the situation by the state relief personnel if the budgets appeared excessively high or low, as the files of the F.E.R.A. well indicate.<sup>2</sup>

Even though the F.E.R.A. was able to insist on adequate state and local relief personnel, problems such as the misuse of funds still arose. A Division of Investigation was established in July 1934,<sup>3</sup> by the authority of section 3(c) of the Federal Emergency Relief Act of 1933, which authorized the Administrator, or any person he designated to make investigations pertinent to the furthering of the Act. Generally speaking, personnel appointments were limited to those people who had had accounting or legal training. Headquarters of the staff was at first in

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<sup>1</sup>Ibid., p. 154.

<sup>2</sup>Ibid., p. 155.

<sup>3</sup>Ibid., p. 167.



Washington, and the investigating personnel was assigned to areas where investigations were required. However in early 1935 field offices were established in different regions of the country, each region was responsible for a certain number of states and a field agent was in charge of each district office. This division started investigations only when some irregularity came to its attention, generally through charges or complaints from such sources as Senators, Congressmen, F.E.R.A. field staff members, state and local officials, or simply interested citizens. Charges were usually those relating to political discrimination or discrimination of other types against relief clients or applicants, bribery, kickbacks by workers to higher officials in order to keep their jobs, forgery of checks, payroll padding, collusive action with contractors generally concerning purchase of materials, and embezzlement of money or relief equipment. Through April 1, 1936, the Division of Investigation inquired into 1,472 cases and obtained 97 convictions. In 940 cases the charges were found to be false. Since Federal grants became state funds once the governor had accepted them the defendants were tried under state law by local prosecutors and judges. The Federal investigators generally assembled the evidence and witnesses and prepared the cases. Often the Division of Investigation had to put informal pressure on the state to prosecute in order to secure some action.<sup>1</sup>

There were also other reasons why the F.E.R.A. was generally able to obtain central control for a time over the nation's relief activities. Because of the seriousness of the relief crisis and because the unemployed were beginning to demand relief, the states were willing to accept

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<sup>1</sup>Ibid., pp. 168-169



Federal control along with Federal grants.<sup>1</sup> During the earlier part of the F.E.R.A. era staff members at both the state and local levels of relief administration often misinterpreted the spirit of the instructions sent to them. They sometimes did not distinguish between suggestive material and mandatory instructions.<sup>2</sup> Part of this could be attributed to the newness of the state and local administrators. As they gained facility in their jobs they were more likely to make their own interpretations rather than follow instructions blindly, and this was one reason Federal control weakened toward the end of the F.E.R.A. period. Josephine Brown in her book Public Relief also argued that states with a tradition of autonomy were often the most difficult for the F.E.R.A. to deal with. This same type of relationship tended to develop between the State Administrations and the counties. If local autonomy was strong, as it was in most rural areas, then there was resistance to the State Relief Administration.

Probably the most powerful weapon in the hands of the F.E.R.A. was its power to withhold funds if the states did not meet the rules and regulations set down by the Federal relief authorities. From the beginning the states had to submit plans and budgets before money was granted to them. These reports had to present information on relief needs, show that relief standards would be adequate, and show how the relief would be administered. Hopkins also used the threat of withholding Federal funds in order to get the states and localities to raise more money on their own for relief. For example, in a telegram

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<sup>1</sup>Brown, Public Relief, p. 210.

<sup>2</sup>Ibid., p. 213.





in July 1933, to Kentucky, he threatened to withhold Federal grants if the state did not raise funds to "pay for a reasonable share of the cost of caring for its own destitute." In a July 1933, letter to the governor of Ohio, Hopkins declared that the F.E.R.A. could grant no more funds until Ohio made "provision to carry a much larger share of the unemployment relief load."<sup>1</sup> However, state authorities knew that the Federal relief officials realized this practice often hurt most those who had the greatest need for relief. Were the state relief officials truly concerned about the needs of the unemployed they would make every effort to adhere to the F.E.R.A. standards so that they might receive Federal grants-in-aid. However, should the state officials tend to believe that those who were unemployed were in such a predicament because of their own laziness, then these officials tended to be lax in following the F.E.R.A. standards. They realized the Federal authorities would be reluctant to cut off aid.

It was difficult to coerce state relief officials if local sentiment was against a Federal administrative order. For example, the F.E.R.A. did not always get the treatment it wanted for transients, Negroes, and strikers. The rules of the F.E.R.A. forbade discrimination because of race and this ran counter to views held in many areas of the South. The rules were often followed but with differing degrees of strictness. In other words the letter of the law was followed but not the spirit. Often regulations concerning relief eligibility were relaxed for whites and strictly enforced for Negroes. The Negroes were usually given lower relief budgets than the whites; for example an F.E.R.A. study in some of the Southern counties showed a relief budget

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<sup>1</sup>Abbott, Public Assistance, p. 786.



of \$8.31 per month for Negro families and \$12.65 per month for white families.<sup>1</sup> Many communities throughout the nation showed indifference and sometimes outright hostility toward transients. Localities simply could not be induced to provide any of the money for transient care and so Washington had to supply all of the funds. The transient program was run almost as a Federal activity because the State Transient Directors received their orders from the F.E.R.A. headquarters and were usually left on their own by the staffs of the State Relief Administrations.<sup>2</sup> F.E.R.A. Administrative Order No. 17 of October 5, 1933, stated that the Administration would not judge the merits of labor disputes, and so the local relief agencies were required to furnish relief to strikers and their families provided their own resources were inadequate.<sup>3</sup> This of course ran counter to the views of many local relief officials, and sometimes efforts were made to keep strikers off the relief rolls.

The last weapon in the hands of the F.E.R.A. in its efforts to compel the states to meet the Federal relief requirements was the power to "Federalize" the administration of relief in a particular state. This was done in a few cases under the authority of section 3(b) of the 1933 Relief Act which simply stated that the Administrator had the right to assume control of the administration of relief in any state. Of course this applied only to the use of Federal funds, not state and local funds. However Section 5 of the Relief Act explained that the governor of a state had to make application for funds and this was

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<sup>1</sup>Williams, Federal Aid, p. 172.

<sup>2</sup>Ibid., p. 172.

<sup>3</sup>Ibid., p. 173.



interpreted as meaning that the governor had to apply for funds even if the F.E.R.A. wanted to assume administration of relief in the state. An Act of February 15, 1934, which allotted additional money for relief, also declared "nothing contained in the Federal Emergency Relief Act of 1933 shall be construed as precluding the Federal Emergency Relief Administrator from making grants for relief within a State directly to such public agency as he may designate."<sup>1</sup> This allowed the Federal Administrator to create state branches of the F.E.R.A. and make grants directly to such agencies. When "Federalization" took place the State Relief Administrator was usually made a Federal official as was most of his staff and the local relief officials. Grants were then made directly to the State Emergency Relief Administrator. However, the F.E.R.A. did not usually receive the full cooperation of the state and local relief personnel once they had been "Federalized".<sup>2</sup> The governor of Oklahoma announced that he would not apply for Federal grants-in-aid unless he could use them without concern for Federal regulations; and so the first formal "Federalization" took place in the State of Oklahoma on February 23, 1934. Control of relief was returned to state authorities on February 15, 1935, after a new governor had been elected who promised to accept Federal grants subject to the accompanying regulations. Partial "Federalization" also took place in other states; for example, in Massachusetts only the work relief program was "Federalized".<sup>3</sup> The F.E.R.A. resorted to "Federalization" only as a

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<sup>1</sup>Ibid., p. 176.

<sup>2</sup>Ibid., p. 178.

<sup>3</sup>Ibid., p. 177.





last resort and it returned the administration of relief to state officials as soon as possible. The threat though, silent or vocal, of "Federalization" was probably one of the Federal Administrator's strongest weapons in his efforts to enforce states to adjust to Federal rules and regulations.



## CHAPTER IV

### THE DIVISIONS AND PROGRAMS OF THE F.E.R.A.

The object of this chapter will be to analyze relief under the heading of general relief, both direct and work relief; special emergency relief as, for example, college student aid; and special relief such as the Federal Surplus Relief Corporation. This last section will examine those programs that the F.E.R.A. administered in cooperation with other Federal agencies such as the Agriculture Adjustment Administration. The chapter will then present an explanation of the transition from the F.E.R.A. to the Works Progress Administration and the Social Security Act. It will conclude with a critique of the F.E.R.A.

#### GENERAL RELIEF

##### Direct Relief

Rules and Regulations No. 3, issued July 11, 1933, indicated that direct relief "shall be in the form of food, clothing, light, fuel, necessary household supplies, medicine, medical supplies, and medical attendance, or the cash equivalent of these to the person in his own home." This direct relief was not to be for widows or their dependents, aged persons, the cost of boarding-out children, hospital bills or institutional care.<sup>1</sup> The primary purpose of the F.E.R.A. was to provide for the unemployed who were hurt because of the economic disruption of

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<sup>1</sup>Rules And Regulations No. 3, p. 5



society. Those people and their dependents classified as "unemployables," who had been the responsibility of the states before the depression, were to remain so. However, in many cases the F.E.R.A. allowed for relief to the "unemployables" either because the states were unable, or unwilling to provide for them. Occasionally some of the states used the relief funds raised by themselves solely to aid the "unemployables" while the complete cost of relieving the "employables" was left to the grants-in-aid from the F.E.R.A. Sometimes the states, in applying for grants, simply padded their unemployment relief rolls by adding the "unemployables" to them. For example, the F.E.R.A. had to tell six southern states on February 1, 1935, to drop their "unemployables" from their unemployment relief rolls and look after them themselves.<sup>1</sup>

This particular set of administrative rules also emphasized that the State Relief Administrations were to make broad interpretations of these orders in meeting the direct relief needs of families or individuals. The regulations noted that even feed for domestic livestock and seed for gardens was to be part of the relief help if this made it possible for the families to produce extra food. However, relief was not to be given where it made possible an increased capital investment. Tax or mortgage interest payments on land or home was allowable as part of the relief budget but only to forestall eviction. This could be paid in lieu of rent, but was not to exceed in cost the normal minimum rent allowance. This particular order on direct relief also warned that even though a liberal interpretation of relief needs was to be followed provision was not to be made for other than the immediate

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<sup>1</sup>Brown, Public Relief, p. 162.





emergency needs of the individual or family.<sup>1</sup>

Rules and Regulations No. 7, promulgated on September 10, 1933, gave very specific instructions governing medical care to be provided in the home to recipients of unemployment relief. Medical relief had been authorized earlier, as previously noted, but none of the complicated procedural policies had been ironed out. Each State Emergency Relief Administration was to adopt a program of medical, nursing, and dental care.<sup>2</sup>

In order to help provide the best possible relief with the relatively small amount of money per family being spent on it, the F.E.R.A. in December 1933, urged the State Emergency Relief Administrations to use a nutrition advisor on their staffs. An Advisor on Food Requirements was also added to the staff of the F.E.R.A. An "adequate diet at minimum cost" was prepared by the Bureau of Home Economics of the Department of Agriculture and was recommended to the State Relief Administrations but it of course was never imposed on them.<sup>3</sup>

The F.E.R.A. ruled that no relief was to be provided for people working in private industry who were in need of relief because they were underpaid. This would have been a government subsidy to private industry and this was not the purpose at all of the F.E.R.A. However, some people in this classification did receive relief.<sup>4</sup> Some of those

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<sup>1</sup>Rules And Regulations No. 3, pp. 5-6.

<sup>2</sup>Federal Emergency Relief Administration, Rules And Regulations No. 7 (Washington: Government Printing Office, 1933), p. 7.

<sup>3</sup>Brown, Public Relief, p. 247.

<sup>4</sup>Ibid., p. 266.



who refused jobs in private industry did so not only because of the low pay offered, but also because they were fearful they would then be unable to get on the relief rolls, and consequently would not be able to support themselves.<sup>1</sup>

The types of direct relief to be given have been discussed, the actual amounts in terms of dollars will be examined later. The standard aimed at was adequate relief, which did mean many different things. However, as Hopkins stressed, relief was not to be used to starve people to death slowly.<sup>2</sup> Certainly the hope was to provide better relief than that.

A most important aspect of the administration of relief was the actual investigation of those in need of it. Social Service Divisions were established to supervise and carry out this part of the program. These divisions received applications, established eligibility of relief, determined the amount of relief to be given to a family or an individual, carried out the actual distribution of relief to the families, and regularly visited the recipients of relief to make certain the relief was adequate or whether it should be stopped. The Social Service Divisions also assigned heads of families to the Work Divisions and likewise recommended families for assistance under such programs as Rural Rehabilitation. The development of this Social Service program was carried out under the direction of the F.E.R.A. in the last half of 1933. The work of local relief investigators in counties, townships, towns, and cities was supervised by the Social Service Division

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<sup>1</sup>Ibid., p. 268.

<sup>2</sup>Ibid., p. 246.



of the State Relief Administrations and these in turn were supervised by the Social Service Division of the F.E.R.A.<sup>1</sup> However, it should be noted that the Social Service Division was not officially established as a distinct section within the Division of Relations with States until April, 1934.<sup>2</sup>

At the local level of relief administration each city contained a head office out of which social service investigators worked, and the larger cities usually contained many branch offices. In counties the county seat was usually the headquarters for the supervision of relief with branch offices where there were centers of population. In some rural areas the social service investigators made special efforts to seek out the destitute rather than have those in need of relief come in to the relief offices. The distances were often very great and the destitute usually had no means to travel to the relief offices.

Rules and Regulations No. 3 of July 11, 1933, gave specific instructions for social service work. These instructions applied both to direct relief and work relief. The rules prescribed a trained and experienced investigator for every twenty investigating staff workers in each local relief administration. Applications for relief were to be made at some central office, and investigation was to include a visit by the investigator who would inquire into all resources available to the applicant including the possibility of help by relatives and organizations such as churches. The investigator also had the responsibility of determining the abilities of the relief applicant and assigning him or her to

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<sup>1</sup>Ibid., pp. 218-219.

<sup>2</sup>Ibid., p. 195.







a suitable work relief project, if possible in that particular area. The rules, in addition, noted that it was the duty of the investigators to investigate not only those who applied, but also those who were reported to the relief office. Each family or individual on relief was to be contacted at least once a month, and more if possible, to establish the continual need of those on relief, or to cut down or cut off relief to those families in which a member had obtained a job. Frequent investigation was also necessary to make certain duplication of relief was avoided by different relief agencies. Relief was to be on what was called the "budgetary deficiency" basis.<sup>1</sup> This meant the total relief needs of the applicant were determined plus how much the applicant would be able to provide himself; the relief agency then made up the difference.

An Article in the November 24, 1934, Literary Digest, "America Copes With the Problem of Relief,"<sup>2</sup> explained how the relief system worked by using the example of Joe, a longshoreman who was out of work, but who had been able to exist by finding odd jobs until the fall of 1934. Finally he went to a relief station, proved he was not a new-comer in town, and filled out a series of forms. An investigator then went to check if his claimed destitution was real. Once this was determined the heat and light bills were paid, as was part of the rent, and and he received \$23 a month for food. In July, Joe was able to move from direct to work relief where he made \$55 a month, but of course with the extra money he was responsible for his heat, light, and rent bills. The

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<sup>1</sup>Rules And Regulations No. 3, pp. 4-5.

<sup>2</sup>"America Copes With the Problem of Relief," Literary Digest, Vol. 118 (November 24, 1934), p. 32.



article's main point was simply to explain how the system of relief worked; however, it concluded by declaring that all relief was degrading and that permanent work must be found for the unemployed.

Hopkins, in discussing the philosophy the social workers or investigators were to have, said that the applicant was to be received by someone who understood that the unemployed were without jobs, not because of their own fault, but because of the breakdown of the economy.<sup>1</sup> The investigator was to treat the relief applicant as an equal. The social workers were not to deal with the recipients' personal problems, they were just to find out if the applicant was eligible for relief and give it.<sup>2</sup>

The Social Service Division was primarily the realm of the social worker who was generally thought of as an investigator. Actually many of the investigators did not have any training in social work, but the vast majority had had some type of administrative experience; however, most of the supervisory staff were social workers, and in the larger cities all of the supervisors had had social work training and experience.<sup>3</sup> Many states held institutes of one to three or four weeks during the first year of the F.E.R.A. to give personnel some type of basic training. This did not prove satisfactory and so training was given while the personnel were on the job. During the academic year of 1934-35 approximately one thousand students were sent to schools of social work. Each state was allowed to send a certain quota of students.

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<sup>1</sup>Hopkins, Spending to Save, p. 100.

<sup>2</sup>Brown, Public Relief, p. 221.

<sup>3</sup>Ibid., p. 297.



The funds to support their students came from the grants allotted to the State Emergency Relief Administrations. This helped to raise the standards of administrators and investigators.<sup>1</sup>

There were three methods of giving direct relief. One was the commissary system, in which a centrally located relief storehouse was set up in a relief district, and the applicants for relief were sent there to obtain their needs. Often these needs were decided for them by the investigator; the applicants did not have a choice of the provisions with which they wanted to fill their relief allotment. Hopkins said this was the most degrading form of relief and consequently it became less prevalent.<sup>2</sup> Besides not being able to choose their own relief needs the destitute were often forced to wait in long line-ups for their relief baskets in full view of sometimes scornful passers-by. The line-up was the symbol of failure to many. Besides this degrading aspect it was difficult for many of the destitute to get to these centrally located commissaries and transport their goods back to where they lived.

Another method of relief distribution was the "grocery slip" by which the relief applicant took his purchase order to a store of his choice to obtain his allotted provisions.<sup>3</sup> The grocery order, which had been made up previously in consultation with a social service investigator, stated the amount that could be spent and often the goods that were to be purchased. This method did away with the degrading line-ups, but still those on relief had little choice in filling their relief basket.

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<sup>1</sup>Ibid., p. 282.

<sup>2</sup>Hopkins, Spending to Save, p. 104.

<sup>3</sup>Ibid., p. 104.







The grocer, to obtain his money, presented the grocery slips to the nearest relief office. Usually it was prearranged between the relief office and various stores in the area to serve the needs of the unemployed in this manner.

The third, and eventually most prevalent way of distributing relief was to give the unemployed a cash allotment to spend as was desired. This was the least degrading manner of giving relief and there were few abuses of the system.<sup>1</sup> The destitute usually bought the things that were most urgently needed in the family. The investigator however, often gave advice as to the type of diet which would be the most nutritional for the small amount of money which the unemployed persons were given for food.

The commissary system was generally considered to be a degrading form of relief, but in a few areas this system was run in such a manner that it was a very enlightened and humanitarian approach to the relief problem. This was the argument of an article in The Nation, "Relief with Both Mind and Heart,"<sup>2</sup> in which the Milwaukee relief system was lauded. The article noted that there was a central commissary which bought only food of the highest quality, not the low grade food which many commissaries purchased. These provisions were trucked out to twelve branch stations from which they were given to the needy unemployed. The article also explained that the investigators searched out the families in need and gave each destitute family an appointment at the nearest relief station. This did away with the degrading line-ups. Those on relief

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<sup>1</sup>Ibid., p. 105.

<sup>2</sup>Benjamin Glassberg, "Relief with Both Mind and Heart," The Nation, Vol. 138 (January 3, 1934), pp. 11-13.



were visited every two weeks by the investigator to make certain the relief needs were being fulfilled. The author noted that malnutrition among children of poor families in Milwaukee was almost negligible. Besides food other necessities such as rent, gas, light, stoves, etc. were supplied. Another enlightened aspect of the Milwaukee relief administration was that it made every effort to raise extra funds rather than move thousands from the relief lists as had been done in some cities. The unemployed were also given relief before all their assets were gone so that they might be able to sell such things as bonds when they were profitable, instead of practically giving them away when the market was low. These people were required, if possible, to pay back the relief they had received once their assets had been sold profitably. This system of relief in Milwaukee was expensive, but at least the destitute were adequately and humanely taken care of.

From the example of Milwaukee it can be said that relief standards varied all over the states. Certainly Milwaukee's commissary system was of better quality than most. It illustrated the advantage of allowing some local initiative in the Federal relief system. Yet some areas of the nation, for example, much of the South, never went beyond the minimum standards set by the F.E.R.A. and in actuality were often below the minimum standards. Even though relief was administered Federally, with many control sanctions to induce certain standards in the states, variations existed. A Federal relief administration was necessary to set certain relief standards, supply grants-in-aid, and help the states organize relief administrations; yet complete "Federalization" of relief would have destroyed most local initiative. The time element alone would not have allowed the Federal government to organize the vast bureaucracy



necessary to administer relief. And the poor of Milwaukee would not have been favored with the quality of relief they were receiving as early as the fall of 1933. Later, the W.P.A., which was a relief program of sorts, was completely Federally controlled, but then it benefited from two years of F.E.R.A. experience.

There were approximately 800,000 applications for relief per month during the F.E.R.A. period and about three fourths of these were accepted.<sup>1</sup> In July 1933, 15,454,384, or 12.3 per cent of the population according to the 1930 census, were receiving relief under the general relief program.<sup>2</sup> This included both direct and work relief, but not the special emergency relief programs. Those aided under the special emergency relief programs of the F.E.R.A., such as the college student aid, never did amount to as much as six per cent of the total of those given some type of general relief.<sup>3</sup> The following table indicates the number of persons who received help under the general relief program, at six month intervals:<sup>4</sup>

General Relief Program

<u>Month</u>	<u>Total Persons</u>	<u>Direct Re- lief Only</u>	<u>Work Re- lief Only</u>	<u>Work &amp; Di- rect Relief</u>
July 1933	15,454,384	8,595,808	6,302,756	555,820
January 1934	11,194,803	10,831,017	279,577	84,209
July 1934	17,046,459	9,613,270	5,396,564	2,036,625
January 1935	20,170,216	9,863,686	6,481,649	3,824,881
July 1935	16,121,362	8,131,070	5,168,799	2,821,493
December 1935	8,910,031	8,917,898	158,700	85,114
January 1936	7,211,161	7,109,923	71,633	29,605

<sup>1</sup>Final Statistical Report, pp. 16-17.

<sup>2</sup>Ibid., p. 47.

<sup>3</sup>Ibid., p. 75.

<sup>4</sup>Ibid., p. 47.







Over the winter of 1933-34 the short-lived Civil Works Administration employed most of those who had been on work relief, this accounted for the sudden drop in work relief clients. During the last half of 1935 the F.E.R.A. all but phased out the work relief program and was endeavoring to do the same with direct relief. Many of those released were hired by the new W.P.A.

The average general relief case received \$14.36 per month, in either cash or kind, in July 1933. This increased to \$17.44 in October 1933 but then began to decrease during the period of the C.W.A. By February this had decreased to \$15.54, but then it began to increase again to a maximum of \$28.13 by January 1935. The monthly allowance then decreased until December 1935, when it stood at \$21.04 per case.<sup>1</sup> The average case consisted of approximately four people.<sup>2</sup>

The total amount of obligations incurred for the General Relief and Special Emergency Relief Programs from 1933-35 was \$4,119,004,633. Of this, the Federal grants-in-aid amounted to \$2,917,787,365 or 70.9 per cent of the total; the states raised 520,359,481 or 12.6 per cent of the total; and \$608,857,785 or 16.5 per cent was raised by the localities to be spent within their own political boundaries.<sup>3</sup> A breakdown of the statistics for money raised for general relief, both direct and work relief, is not available before July 1935. From July through December 1935, Federal grants-in-aid totalled \$385,441,295 or 70.4 per cent; state obligations equalled \$92,699,427 or 16.9 per cent and local

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<sup>1</sup>Ibid., p. 41.

<sup>2</sup>Ibid., p. 35.

<sup>3</sup>Ibid., p. 88.



funds made up \$69,706,235 or 12.7 per cent of the total.<sup>1</sup>

State and local funds were entirely responsible for such costs as the rental of buildings used in relief operations, the salaries of regularly employed public employees unless they were full-time emergency relief workers, the salaries of relief workers if not under the supervision of the unemployment relief authority, the purchase of automobiles or other equipment used in the relief administration at the state or local level.<sup>2</sup> Local and state funds were also used to raise the level of relief to the distressed in most states. However, in a few of the states Federal monies almost exclusively were the only funds used to aid those in need of help.

Total F.E.R.A. administrative costs equalled \$395,804,000 or 10.7 per cent of the Federal funds spent. The earnings of personnel made up 79 per cent of these administrative costs. Some of the personnel employed to help supervise work relief projects were actually people in need of relief and often they represented as much as 20 per cent of such personnel. Social workers represented approximately 50 per cent of the administrative personnel. In October 1934, a study was conducted of all State Relief Administrations and it was found that the personnel handling relief applications, determining eligibility of relief, and certifying people for work relief represented 47 per cent of the administrative personnel, and the salaries they received accounted for 45 per cent of the administrative salaries.<sup>3</sup>

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<sup>1</sup>Ibid., p. 43.

<sup>2</sup>Rules and Regulations Nos. 1, 2, 4, And 5, p. 3.

<sup>3</sup>Final Statistical Report, pp. 84-86.



In determining how large the grants-in-aid to each state should be a number of factors came into consideration. As noted earlier the first F.E.R.A. grants were on a matching basis. The State Emergency Relief Administrations were required to show in detail the amount spent in previous months for emergency relief. By the end of 1933 and until the conclusion of F.E.R.A. activity most of the grants were discretionary. The F.E.R.A. headquarters had to consider first of all the percentage of a state's population that was in need of relief, and then consider the economic capacity of the particular state before grants were given out. The amount of the grants also depended on such things as the amount of money available, local traditions or living standards, climatic differences, and the attitude toward minority groups. In areas of the South the F.E.R.A. was obligated to grant extra money to provide distressed Negroes with relief because local attitudes would sometimes not allow funds raised by the states and localities to be allocated for Negro relief. Sections of the nation with lower costs of living needed less Federal money than sections with a high cost of living for equivalent percentages of the population on relief. Some areas of the country were used to a lower standard of living than other areas; consequently it took less Federal money to raise the standard of living of those on relief up to or near the level of the general population. Of course it took extra money to aid those in need in colder areas because of the need of extra clothing and fuel. The Federal Administrator encouraged the states to apply for minimum grants as he himself never knew how long the Federal funds would last. Some governors prided themselves in applying for very minimal grants.<sup>1</sup>

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<sup>1</sup>Brown, Public Relief, p. 251.





The two most outstanding factors in determining the grants-in-aid were need and the economic capacities of the various states. Determining economic capacity was difficult and could never be done with exactness, but the F.E.R.A. did develop a fairly complex method for doing it. Three different methods were used and from the three quotas arrived at a fourth quota was determined. For example, in the first method, data was collected on ten items thought to have a relationship to economic capacity, such as Federal income tax receipts, gainful workers, retail sales, government debt, and saving deposits as of July 1, 1933. Some of these items were weighted more than others; for example, retail sales were thought to be three times as important as government debt. The quotas finally arrived at were only a basis of negotiation between the Federal Administrator or his field representatives and the state executives.<sup>1</sup> Generally only the New England States raised more funds for relief than the quota set for them by the F.E.R.A. The Southern States, except for Texas, raised very few funds for relief in comparison with their economic capacities. As a whole most states contributed a little less of their own funds for relief than the F.E.R.A. estimated they might according to the capacities of their economies.<sup>2</sup>

The Division of Research, Statistics, and Finance received applications from the states for general relief grants. From the statistics division the applications went to the municipal finance section of the F.E.R.A. where they were compared with regard to current and anticipated contributions of state and local funds. They were then

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<sup>1</sup>Abbott, Public Assistance, pp. 795-800.

<sup>2</sup>Ibid., p. 817.



referred to the Assistant Administrator in charge of relations with states for determination of the amounts of the grants. The estimates were again reviewed by the statistics division to determine if the estimates were justified and then the Federal Administrator gave final approval.<sup>1</sup>

Once the Federal grants were transferred to the states they became state funds, and so the states were responsible for transferring the necessary money to the various counties as the county was usually the unit of operation for relief activities. One method of transferring funds was the county grant method. This involved a transfer of cash to the county administrations upon receipt of Federal grants; it involved considerable auditing and discrepancies arose between state and county records. Another method of transferring money to the counties or municipalities was the reimbursement method which was primarily used in New England. Municipalities, counties, or towns spent their own money for relief and then asked the State Relief Administration for a reimbursement. One problem here was that the local relief units often overspent, and consequently presented the state relief authorities with a "fait accompli". A third method of disbursement was the centralized state office method which became most popular during the latter part of the F.E.R.A. era. Under this plan all Federal grants-in-aid were retained by the states in the state relief office; all documents concerning transactions in the counties were sent to the state office and from there the accounts were paid.<sup>2</sup> This differed little from the reimbursement method except that the state relief office was able to keep closer tab on

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<sup>1</sup>Ibid., p. 850.

<sup>2</sup>Ibid., pp. 861-862.



county expenditures.

### Work Relief

One of the major divisions of the F.E.R.A. was the Federal Work Relief Division. It encouraged the states to set up work divisions, it supplied work relief funds to states and it issued orders and advice about how best to organize the administration of work relief, concerning the types of projects, engineering problems, safety, working conditions, and hours and wages.

Before the start of the F.E.R.A. there was some work relief undertaken, financed by the R.F.C., but generally under the direction of the states. Work relief was in a chaotic condition by the summer of 1933 and it did not improve much over the next few months.<sup>1</sup> The projects which were started did little more than keep a few people busy. Raking up leaves was probably the most common activity. One of the reasons the C.W.A. was started in late 1933 was to make some order out of the chaos that existed in what was called work relief. In April 1934, work relief in the F.E.R.A. was started anew, and by that summer it had become a very viable part of the general relief program.

The idea behind work was to maintain the skills, physical condition, and morale of those employables who were forced to accept relief. It was hoped that workers would be able to be put in a line of work in which they had had experience, although this often did not prove feasible. Another goal of work relief was to undertake and complete useful projects, and by mid-1934 this was being done. Regulations governing work relief were circulated by the Federal Work Division in the summer

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<sup>1</sup>Brown, Public Relief, p. 157.





of 1933, and with very little change they stood as the guide throughout the duration of the F.E.R.A. Rules and Regulations No. 3<sup>1</sup> of July 11, 1933, stated that wages were to be based on need and were to meet the budgetary requirements of those on relief. Skilled workers were to be paid the prevailing wages if they were employed on skilled work projects. There was to be "no discrimination because of race, religion, color, noncitizenship, political affiliation, or because of membership in any special or selected group." Accident insurance was mandatory, but was to be paid out of state or locally raised funds. The State Emergency Relief Administrations had to approve all work relief projects, and these projects had to be undertaken only on Federal, state, or local public properties. They could be undertaken on private property only if they were a benefit to public health or welfare. A work relief project was not to be part of a normal government contract enterprise for which an annual appropriation had been made. It was not an F.E.R.A. objective that work relief be a substitute for normal construction. Rules and Regulations No. 4<sup>2</sup> was more specific about hours and wage rates on work projects.<sup>2</sup> After July 31, 1933, the minimum wage rate was to be \$.30 per hour. If local prevailing rates were higher then the minimum F.E.R.A. wage rate was to be higher. The maximum number of working hours was to be 8 per day, 35 per week, or 150 per month for physical labor. If the work relief was office work the maximum working day was also 8 hours, but the maximum work week was 40 hours. However, the number of working hours was to be no more than necessary

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<sup>1</sup>Rules And Regulations No. 3, p. 6.

<sup>2</sup>Rules And Regulations Nos. 1, 2, 4, And 5, p. 3.



to provide the budgetary needs decided on by the social worker or relief investigator responsible for the individual or family. In addition no one less than sixteen years old was to be hired on work relief. It was not until March 1934, that all wages were to be paid by check or cash.<sup>1</sup> Before that the payment could be in either cash or kind. On November 19, 1934, the minimum wage rate of \$.30 per hour changed; it was to be based in future on the "prevailing rate" criteria. To decide these various rates local wage committees were chosen, one representative came from organized labor, one was an F.E.R.A. representative, and the other two representatives were local businessmen or professionals.<sup>2</sup>

Never more than 47 per cent of those on relief were given work relief. Often those with very low budgetary deficiencies were excluded from the work program in order to cut down the number of shifts. It just was not feasible to allow someone to work only two or three hours a week. In sparsely populated areas very few if any were given jobs on work relief projects, simply because it was not practical to organize projects in such areas.<sup>3</sup>

In September 1933, a Women's Work Division was organized within the regular Federal Work Division. A director was appointed to help establish women's work programs within each of the state work divisions. A number of activities were organized such as sewing room projects, canning and preserving centers, nursing, and teaching.<sup>4</sup> The sewing and

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<sup>1</sup>Brown, Public Relief, p. 238.

<sup>2</sup>Williams, Federal Aid, p. 126.

<sup>3</sup>Ibid., p. 129.

<sup>4</sup>Report of The Federal Emergency Relief Administration May 22, 1933, to December 31, 1933, p. 8.



canning centers often helped prepare the surplus products of the Federal Surplus Relief Corporation for distribution to the needy unemployed. By the spring of 1935 almost 300,000 women were employed on work relief.<sup>1</sup>

The Work Relief Divisions were able to employ large numbers of white collar workers, approximately 560,000 were on some kind of work relief by March 1935; some for example, statisticians and engineers, were involved in the process of planning and organizing work projects, others were involved in public health, welfare, and recreation, and still others were employed in emergency education, or in the arts such as painting pictures for public buildings, or in library research for various work projects and studies.

Among its accomplishments in work relief by the end of 1935, the F.E.R.A. was able to count numerous useful public projects completed. For example, 274,200 miles of road were either built, paved or repaired. In the building of sewer systems and other utilities, \$112,607,250 was spent. Many conservation projects were started and completed. Public buildings were constructed. Parks and recreational facilities were improved, as well as airports and transportation facilities. And among other things the work divisions aided the F.S.R.C. in processing and distributing goods for the distressed.<sup>2</sup> It was the desire of the F.E.R.A. leadership that as many jobs as possible be provided by these work relief projects, and so where possible man power instead of machine power was used. The earnings of relief persons accounted for 73 per

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<sup>1</sup>Williams, Federal Aid, p. 132.

<sup>2</sup>Final Statistical Report, pp. 56-57







cent of all expenditures on emergency relief projects.<sup>1</sup> These work projects helped to preserve the skills as well as the morale of many on relief. Some of the earliest projects usually consisted of some type of "clean-up", but later a great deal of imagination and planning went into these projects. Not only were trade skills preserved, but also the professional skills of such people as engineers and architects. It is of credit to the Relief Administration that with such haste it was able to organize such a work relief program. Emergency work relief provided the government with the necessary experience to establish the W.P.A. which was to become a much larger government work program.

Even though work relief might have been less degrading to many people than direct relief it was still a form of relief. The individual on a work relief project had his needs determined by a social worker and he was never allowed to work enough hours to attain very much more than a minimum sustenance. The W.P.A., which followed the F.E.R.A. did take those who received work off the relief rolls and out of the hands of social workers. The W.P.A. employees were regarded as Federal employees and no longer as relief workers. Therefore they were not limited in the number of hours they worked and were able to obtain more wages than their old budgetary deficiencies had allowed. This however, was only possible when the Federal government was in a position to spend greater sums of money, at least initially, than had been spent for work relief. It might be noted that many W.P.A. projects, for example, packing plants, began to pay for themselves and so eventually cut the Federal cost of unemployment expenditures.

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<sup>1</sup>Ibid., p. 58.



SPECIAL EMERGENCY RELIEF

The F.E.R.A. developed four special emergency relief programs; emergency education, college student aid, rural rehabilitation, and transient relief. Each one of these programs was developed "to meet the particular problems of a well-defined group in the relief population."<sup>1</sup> There were other programs and specialized activities financed by F.E.R.A. funds or in part organized and administered by F.E.R.A. personnel, such as the C.W.A., or the purchase of surplus commodities from the A.A.A. These other activities will be discussed under the heading of Special Relief. There is no clear-cut method of distinguishing between special emergency relief and special relief but that is the terminology the F.E.R.A. preferred to use. From 1933-35 special emergency relief programs accounted for five per cent of the total obligations for relief under the F.E.R.A., this amounted to \$209,192,000. The amount of \$34,642,000 was spent for emergency education, \$14,915,000 for college student aid, \$58,213,000 for rural rehabilitation, and \$101,422,000 for transient relief.<sup>2</sup>

Emergency Education

The primary purpose of emergency education was to employ qualified teachers who were unemployed and in need of relief. The first allotment of money for emergency education was made in October 1933; however, all the money was to be spent for salaries except for five per cent which was allowed for supplies.<sup>3</sup> By the winter of 1935

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<sup>1</sup>Ibid., p. 59.

<sup>2</sup>Ibid., p. 79.

<sup>3</sup>Williams, Federal Aid, p. 135.



approximately 44,000 teachers were employed teaching about 1,700,000 students.<sup>1</sup> The classes of students varied widely, but primarily instruction was provided for those who ordinarily did not have the opportunity to get it, for example, there was general adult education, literacy classes, and vocational education, as well as nursery school classes. By the end of 1935 emergency education was being taken out of the hands of the F.E.R.A. and placed under the direction of the W.P.A.

The emergency education program was not part of the emergency work relief program and it did not come under the authority of the Work Division of the F.E.R.A. but instead under the Division of Relations with States. The actual administration and supervision of the activities was taken care of by the state, county, and local school authorities while the determination of need and payment was in the hands of the state and local relief authorities under the F.E.R.A.<sup>2</sup>

#### College Student Aid

The purpose of this program was to help those who would be unable to continue their education and by doing this keep them out of the labor market. The program was developed with the cooperation of the United States Office of Education and the chief state school officers, and was administered under the Division of Relations with States.

In the first year of the program, 1933-34, 10 per cent of the enrollment of a state college or university was the maximum per cent allowable to be aided under this relief activity. The next year the quota was raised to 12 per cent. The first year approximately 65,000

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<sup>1</sup>Final Statistical Report, pp. 61-62.

<sup>2</sup>Report of The Federal Emergency Relief Administration May 22, 1933, to December 31, 1933, p. 7.





students were employed by the program and the next year approximately 100,000 students from October through May. The institution was allotted \$15 per month for every student included in the quota, and individual students were not permitted to earn more than \$20 in any one month for work performed. No student was to work more than eight hours a day or forty hours in any week, and his minimum pay had to be no less than \$.30 an hour. The jobs included such things as clerical and office work, laboratory work, research assistants, and recreation, health and welfare projects.<sup>1</sup>

### Rural Rehabilitation

Farmers, who were in need of relief received it under the general relief program, either direct relief or possibly work relief if by chance there happened to be a work relief project in their area. The top administrative personnel of the F.E.R.A. decided there should be a special program for farmers. A program was then planned to choose those farmers who showed promise of being able to make farming work once they were on their feet, and take them away from social workers and put them under a rural rehabilitation worker who was really a farm agent.<sup>2</sup> The Rural Rehabilitation Division was set up within the F.E.R.A. in the spring of 1934 "to make it possible for destitute persons eligible for relief in rural areas to sustain themselves through their own efforts."<sup>3</sup> To carry out the administration of rural rehabilitation the State Emergency Relief Administrations were required to charter Rural Rehabilitation

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<sup>1</sup>Final Statistical Report, pp. 64-66.

<sup>2</sup>Hopkins, Spending to Save, p. 142.

<sup>3</sup>Final Statistical Report, p. 66.



Corporations, "permanent legal entities to serve as financial agent . . . ; to hold title to, or lien against, all real property purchased or constructed; to serve as payee and custodian of all notes covering advances to the families with whom they were doing business. They could buy, sell or lease."<sup>1</sup>

The State Rural Rehabilitation Division first of all endeavored to aid the farmer make his own farm self-sustaining by supplying him with working capital such as cattle, horses, seed, farm equipment, and by adjusting his debts. This could be in cash or kind and was up to the State Rural Rehabilitation Divisions to decide. For the capital goods he received, the farmer was obligated to pay back the Corporation when he again became self-sufficient. The farmer and his family were supported by general relief until they could raise their own food or sell some of their produce.<sup>2</sup>

If the Rural Rehabilitation Division felt the farmer lived on sub-marginal land he was moved, if he wished, to better land which the Corporation had already bought, and these former lands were usually converted into grazing areas for cattle. The farmer was supplied with any extra equipment he needed to get started again, and he was allowed to take up to thirty-five years to pay for the land.<sup>3</sup>

For stranded populations, who were no longer able to support themselves either because of exhaustion of the natural resources on which they had depended, or because technological changes had made their

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<sup>1</sup>Hopkins, Spending to Save, p. 142.

<sup>2</sup>Williams, Federal Aid, p. 69.

<sup>3</sup>Hopkins, Spending To Save, p. 146.



primary industry inadequate, or because of the decline of markets, community projects were developed.<sup>1</sup> Community work centers for the stranded groups were organized as cooperatives. These centers were usually equipped with sewing rooms, canning plants, plus facilities for tool repair, wood working, and rug making. Only a few of these communities had been constructed by July 1935 when the rural rehabilitation program was transferred to the Resettlement Administration. Some projects had been completed with F.E.R.A. funds.

The F.E.R.A. altogether allotted \$53,383,568<sup>2</sup> for rural rehabilitation and thus helped approximately 367,000<sup>3</sup> farm family heads. The Rural Rehabilitation Divisions of the State Relief Administrations received the grants, but the funds were not transferred to the Rural Rehabilitation Corporations until the F.E.R.A. had approved of their organizational structures. Grants were usually made on a long range basis.<sup>4</sup>

### Transient Relief

A Federal Transient Division within the F.E.R.A. was organized in July 1933, under the authority of section 4(c) of the Federal Emergency Relief Act, which explained that grants could be given to states to aid needy persons who had no legal settlement within the particular state. There were interstate and intrastate transients; Federal funds were to take care of the needs of interstate transients, but the states were to

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<sup>1</sup>Final Statistical Report, pp. 115-116.

<sup>2</sup>Ibid., p. 116.

<sup>3</sup>Hopkins, Spending to Save, p. 145.

<sup>4</sup>Abbott, Public Assistance, pp. 856-857.





be responsible for their own intrastate transients. The F.E.R.A. leadership found it difficult to get the states to follow F.E.R.A. regulations for care of those homeless travelers.<sup>1</sup> With the approval of the Federal Administrator each state appointed a State Transient Director who prepared a plan and a budget to carry out the program. This was submitted to the field representative who submitted it to the F.E.R.A. head for final approval. Each state was required to set up a central Transient Bureau which was to be the office of the director, and appoint the necessary staff to receive the registrations from the district service centers. These service centers were to be established where the transient population warranted it. Case workers and interviewers in co-operation with the applicant were to determine the needs to be met. Each center was to have at least facilities to house and feed those in need plus provision for occupation if possible. Separate housing units were also to be constructed for transient families. The F.E.R.A. leadership also hoped that clothing, plus laundry, barbering, dental, and medical services would be provided. The rules even went so far as to say that constructive use of leisure time should be provided for with such things as education and recreation.<sup>2</sup> Knowing the attitude of most communities it was asking a lot to expect these types of services, and seldom were they ever rendered as completely as suggested. The states were asked to keep the transient centers away from congested urban areas to lessen the friction between the indigenous population and the transients.<sup>3</sup> With

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<sup>1</sup>Williams, Federal Aid, p. 148.

<sup>2</sup>Federal Emergency Relief Administration, Rules and Regulations No. 8 (Washington: Government Printing Office, 1933), pp. 2-6.

<sup>3</sup>Ibid., p. 2.



the above rules it was hoped that those destitutes who were on the move in America would be taken care of, and that they would not simply be pushed from one state to another or sent to relatives who might not be able to look after them anyway. In fact it became part of the F.E.R.A. regulations that transients were not to be sent on their way,<sup>1</sup> so to speak, but that proved difficult to enforce. Actually the Federal relief officials were able to do little more than hope the rule would be followed.

During the early part of the program transient relief centers were set up and by the end of 1933, 261 of these centers had been organized.<sup>2</sup> The more complete transient work centers were slower in getting organized but gradually some were completed. The transients worked on projects some of which were similar to projects under the work relief program, for example; reforestation projects, conservation, maintenance of their own camps, and road maintenance. This helped to raise the morale of many discouraged transients; it showed they could work and so it changed the attitudes of many people toward them. After all, most of the transients were not "bums", but were simply men out of work and on the move searching for a job. When the transient program came to a near end in the fall of 1935 many of these men were able to get work on W.P.A. projects.<sup>3</sup> Unfortunately many were left to wander again. In April 1935, the total number of transient cases being cared for numbered a maximum 302,000 and \$5,038,270 was spent. By December 1935, 87,000

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<sup>1</sup>Hopkins, Spending to Save, p. 132.

<sup>2</sup>Brown, Public Relief, p. 260.

<sup>3</sup>Hopkins, Spending to Save, pp. 136-138.



cases were given relief and by June 1936, this had dropped to 11,000.

### SPECIAL RELIEF

Special Relief included a variety of relief activities in which the F.E.R.A. participated. Total F.E.R.A. funds for these activities amounted to \$324,114,105. This however, did not represent all the money spent on these programs. Sometimes the Federal government contributed directly to these activities and sometimes these programs were carried out in conjunction with other agencies which contributed funds. Data for these special activities was not included in the regular statistical reports of the F.E.R.A.<sup>1</sup>

### Civil Works Administration

There were a number of reasons for creation of the C.W.A. One was that the Public Works Administration had not developed as rapidly as had been hoped and so was not providing many jobs for the unemployed. The Federal government hoped that a new works program, less concerned with large projects and more interested in providing jobs, might be able to relieve more of the unemployed. The C.W.A., which was strictly a Federal program rather than a grant-in-aid structure, was also initiated to replace the "haphazard" local work relief projects of the F.E.R.A. The idea was to raise the standards of work relief and thereby serve as an example to states and localities of a good work program. Corrington Gill, Assistant Administrator to Harry Hopkins, noted that:

The projects had been frequently of little value, the work provided was almost entirely unskilled manual work, supervisory personnel and materials were inadequate, earnings were meagre, and efficiency was generally low.<sup>2</sup>

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<sup>1</sup>Final Statistical Report, pp. 104-105.

<sup>2</sup>Williams, Federal Aid, p. 110.







The goal was to put 4,000,000 men and women to work; 2,000,000 were to be taken from relief rolls and 2,000,000 from unemployed but still self-sustaining individuals. The Federal officials in addition anticipated that this program would also help stimulate general recovery by increasing purchasing power.<sup>1</sup>

On November 9, 1933, the Federal Emergency Administrator of Public Works, Harold Ickes, released \$400,000,000 for the C.W.A. which had previously been allotted to his Public Works Administration. The same day President Roosevelt made Harry L. Hopkins Civil Works Administrator who immediately sent out telegrams inviting all governors, mayors, state and local Relief Administrators to Washington for a meeting on November 15th, to discuss the new program.<sup>2</sup> Technically the C.W.A. was distinct from the F.E.R.A., but it operated with many of the same personnel. For example, on November 10th, all the State Emergency Relief Administrators were appointed as State Civil Works Administrators.<sup>3</sup> Most of those involved in work relief in the F.E.R.A. became part of the C.W.A. until its demise in the spring of 1934 when they were again transferred back to a newly revamped work program of the F.E.R.A. Of course extra staff was needed and as a consequence most State Relief Administrations greatly added to the number of relief personnel employed. Each State Administration also employed a State Civil Works engineer plus some technical staff to help plan work projects. Every

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<sup>1</sup>Report of The Federal Emergency Relief Administration May 22, 1933, to December 31, 1933, p. 13.

<sup>2</sup>Ibid., p. 13.

<sup>3</sup>Williams, Federal Aid, p. 113.



county was required to organize a county C.W.A. as was every city of sufficient size.<sup>1</sup> The exact size however, was not designated. The organization and administration of the whole program was very similar to the work program under the F.E.R.A., except that the state personnel were Federal employees instead of state employees.

The Civil Works projects were part of the program of the National Industrial Recovery Act whose work laws became the laws of the C.W.A. All contracts were to be undertaken on force account, that is no contracts were to be let out to private companies. General administration, as mentioned, was in the hands of the State and local Civil Works Administrations while the supervision of the labor crews was carried on by the public body for which the work was being done. This mobilized the efforts of counties, municipalities, irrigation districts, plus other public bodies in the planning and preparation of projects, the supply of equipment, materials and tools, and the paying of supervisory expenses.<sup>2</sup> The United States was divided into three zones for hourly wage rates. In the South the minimum rates for unskilled and skilled laborers were \$.40 and \$1.00 respectively; in the central region \$.45 and \$1.10; and in the North \$.60 and \$1.20.<sup>3</sup> Some of the various projects completed included bridges, highways, and schools repaired and built, malarial land drained, sewage disposal plants built, swimming pools, playgrounds, and even street-car systems. Approximately

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<sup>1</sup>Report of The Federal Emergency Relief Administration May 22, 1933, to December 31, 1933, p. 14.

<sup>2</sup>Ibid., p. 14.

<sup>3</sup>Hopkins, Spending to Save, p. 118.



190,000 non-manual and professional people did such things as index libraries, complete paintings for public buildings, and work on statistical surveys.<sup>1</sup> Altogether the F.E.R.A. contributed \$36,000,000 to the C.W.A. which represented four per cent of the total Federal cost for the program.<sup>2</sup>

Liquidation of the C.W.A. began on February 1, 1934, and by April 1st, the Emergency Work Relief program of the F.E.R.A. was started again.<sup>3</sup> The C.W.A. had been quickly organized to help many of the unemployed over the winter and once this was done the C.W.A. was dismantled. Part of the purpose of the C.W.A. was also to "fill in" for the P.W.A. until it could get well established. By the spring of 1934 the P.W.A. was quite rapidly enlarging its program and was able to take up some of the slack of unemployment. In an editorial in April 1934, The New Republic<sup>4</sup> suggested that many communities were holding back and letting the Federal government take complete care of the local work problems. The Federal government therefore wanted to restore some local initiative in solving the problems of work relief. The C.W.A. minimum wage gave a higher cash income to its employees in some areas of the nation than the cash income of the poorer groups of the particular area. This brought harsh criticism upon the heads of the Federal government, and may have been another reason it decided to abandon the program.

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<sup>1</sup>Ibid., pp. 120-123.

<sup>2</sup>Final Statistical Report

<sup>3</sup>Williams, Federal Aid, p. 121.

<sup>4</sup>"Muddling Through with the Unemployed," The New Republic, Vol. 78 (April 4, 1934), p. 201.





Surplus Commodities

Surplus Commodities relief referred to the purchase of farm surplus, and its distribution to the needy unemployed. This type of relief involved not only the F.E.R.A., but also the A.A.A. and, most important, the F.S.R.C. which was incorporated in October 1933. Its designated purpose was "to assist in relieving the national emergency by purchasing and processing agricultural and other products as a means of removing surpluses and improving prices; and to distribute these surplus products in the form of foodstuffs, clothing, fuel, and other items for the relief of hardship and suffering caused by unemployment." The F.E.R.A. Administrator served as president from October 1933, to November 1935, and was one of the incorporators. The Federal Emergency Relief Administrator of Public Works, the Secretary of Agriculture, and the Governor of the Farm Credit Administration were members of the Board of Directors.<sup>1</sup>

The F.S.R.C. did not purchase the surpluses since this was done by the A.A.A. for the most part, and sometimes by the State Relief Administrations, who did receive \$9,000,000 from the F.E.R.A. for the purchase of local surpluses. Handling, storage, and shipping costs were made by the F.S.R.C. This cost was charged to the states but they received special F.E.R.A. grants to cover the exact amount of these costs. The amount of these grants to the states to be reserved for the F.S.R.C. was \$137,138,280.<sup>2</sup>

One of the important phases of the F.S.R.C. program was the processing of sheep, goats, and cattle from drought areas. This livestock

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<sup>1</sup>Final Statistical Report, p. 106.

<sup>2</sup>Ibid., p. 107.



was purchased by the A.A.A., and the F.S.R.C. as the agent of the states, supervised the slaughter and distribution of these animals to the State Emergency Relief Administrations. The F.S.R.C. either awarded the contracts to commercial packers or else took care of the handling procedures itself. By this second arrangement the livestock was shipped to State Relief Administrations where it was processed as work relief projects or else in commercial plants. The cost of the work projects of course was met by the direct grants to the states for work relief. Cattle in excess of slaughtering capacities or needs was shipped to nondrought states for pasturing. This was usually done on a contract basis, and the cost was met by the F.S.R.C.<sup>1</sup>

On November 18, 1935, the Federal Emergency Relief Administrator ceased to be a member of the F.S.R.C. and its name was changed to the Federal Surplus Commodities Corporation. With the termination of the F.E.R.A. distribution of surplus products became a W.P.A. project.<sup>2</sup>

National Reemployment Service

The National Reemployment Service was an agency of the United States Employment Service of the Department of Labor, created in the summer of 1933 to help place workers on public works projects. The local reemployment managers had to be approved by the State Emergency Relief Administrators.<sup>3</sup> All the local personnel except the managers were required to be eligible for relief, and the F.E.R.A. and C.W.A. assisted in supplying the wages for these personnel. The total amount

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<sup>1</sup>Abbott, Public Assistance, pp. 859-860.

<sup>2</sup>Final Statistical Report, p. 112.

<sup>3</sup>Hopkins, Spending to Save, p. 157.



of F.E.R.A. funds spent for this project was \$1,556,474.<sup>1</sup>

#### Rural School Continuation

Some rural schools were unable to function because the funds simply could not be raised, so in 1933-34 and 1934-35 the F.E.R.A. made special grants to pay teachers' salaries. This only applied to communities of less than 5,000 population. During the school term of 1933-34 the F.E.R.A. spent \$14,869,333 on the project and employed 100,825 teachers. In 1934-35, \$7,116,547 was spent and 52,703 teachers were employed. During 1933-34, 3,627,176 pupils were able to attend a school term of normal length who would otherwise not have been able to. During 1934-35 the program served 1,446,882 pupils. These figures do not include the assistance provided under the emergency education program of the F.E.R.A.<sup>2</sup>

#### Self-Help Cooperatives

With the depression some unemployed people endeavored to band together in groups to see if they could produce some salable goods or services, or else trade their labor for goods and services they needed. Under the authority of section 4(c) of the Federal Emergency Relief Act, which authorized the granting of funds "to aid in assisting cooperative and self-help associations for the barter of goods and services," these groups were able to obtain some F.E.R.A. funds. These cooperatives were not allowed to receive Federal grants unless their members had been on relief or were eligible for relief or would be, if it were not

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<sup>1</sup>Final Statistical Report, p. 110.

<sup>2</sup>Ibid., pp. 111-113.





for the benefits they received from membership in the associations. The cooperatives had to follow the same rules as those for work relief with regard to hourly wages. The regulations also stipulated that most of the F.E.R.A. grants had to be used for working capital; they were not to be used for direct relief. These cooperatives were also required to submit monthly reports of their activities. Applications for F.E.R.A. money for these self-help groups were made by the state governors after the State Relief Administrations had recommended it. Not only was the quality of the cooperative first checked but also the attitude of the surrounding community to it. In some states there was a disbursement of funds to each unit, in other states there was a general cooperative association to which the State Emergency Relief Administration advanced funds.<sup>1</sup>

Altogether more than two hundred cooperatives were organized which employed about 30,000 workers. A total of approximately 100,000 workers and their dependents were thus aided. Some of the projects or activities included shoe repair, canning, and laundries. Some groups repaired houses for their landlords in exchange for rent.<sup>2</sup> In Oakland, California, the members of the Unemployment Exchange Association traded their labor with dentists for \$4,000 worth of dental services. Another group moved a peach-pit dump out of the yards of a cannery for \$600 worth of canned peaches.<sup>3</sup> The first F.E.R.A. grant for these self-help

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<sup>1</sup>Ibid., pp. 113-114.

<sup>2</sup>Ibid., p. 114.

<sup>3</sup>Report of The Federal Emergency Relief Administration May 22, 1933 to December 31, 1933, p. 10.



cooperatives was made August 11, 1935, and the last grant was made November 6, 1935. The F.E.R.A. allotted \$3,775,977 for this special relief activity.<sup>1</sup> As can be seen not very many people became involved in these self-help units, but these units undoubtedly greatly aided the morale and the economic well-being of those who did.

### Miscellaneous

There were a few F.E.R.A. grants for other miscellaneous relief activities. For example, there were payments for the rehabilitation of fisherman, special payments for flood, storm, and earthquake relief. There was a special nation-wide public works of art project to aid people skilled in the graphic arts, and to decorate public buildings. Special grants were also made to help train social workers. Altogether \$19,551,691 was spent by the F.E.R.A. for these activities.<sup>2</sup>

In a message to Congress in January 1935, President Roosevelt declared the Federal government had to get out of the business of relief, and that the final grants to the F.E.R.A. would be made in December of that year. However, the President did announce a new work program which was to take up some of the slack left by the F.E.R.A.<sup>3</sup> Many who had lauded the emergency relief steps the government had previously taken now began to bitterly criticize the proposed cessation of Federal relief grants and supervision of relief. Roosevelt's dutiful follower Harry Hopkins probably would have continued Federal supervision of

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<sup>1</sup>Final Statistical Report, p. 114.

<sup>2</sup>Ibid., pp. 117-118.

<sup>3</sup>Brown, Public Relief, p. 168.



relief, for he had been quite influential in helping Roosevelt to develop the idea that the state was responsible for the relief of the unemployed. By 1935 however, Roosevelt was moving away from the "centralist" ideas that had seemed to motivate him for the first two years of the New Deal. It can also be argued that President Roosevelt's philosophy did not change at all, but instead he believed the worst of the depression had passed, and so the Federal government could turn some of the nation's problems back to the states. His official reason for disbanding the F.E.R.A. was that "to dole out relief . . . is to administer a narcotic, a subtle destroyer of the human spirit . . . Work must be found for able-bodied but destitute workers."<sup>1</sup> There is certainly some truth in the above statement; however, if there are not jobs for people they must somehow be cared for. That was to be the responsibility of the states, cities, towns, and counties as it had been before the F.E.R.A. The President was placing his faith in the new works program which he presented to Congress on January 4, 1935. A plan was also developed to look after the "unemployables" of the country. However, the transition from the F.E.R.A. to the W.P.A. and to social security was to prove a hardship for many of the nation's destitute.

The F.E.R.A. was officially terminated at the end of December 1935, but actually remained in effect until June 30, 1938, in order to discharge obligations and fulfill commitments incurred prior to December 31, 1935; however, no new programs were initiated after that date.<sup>2</sup> The final Federal grants were small and since state and local

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<sup>1</sup>Ibid., p. 165.

<sup>2</sup>Ibid., p. 301.





funds were inadequate there was more than the usual amount of suffering during the winter of 1936. The January monthly report of the F.E.R.A. reported a survey that the Administration had conducted in such places as Macon and Atlanta, Georgia; Sioux Falls, South Dakota; Little Rock, Arkansas; and certain rural counties in South Dakota and Colorado.<sup>1</sup> This survey attempted to find out the condition of those who had been removed from relief rolls because of anticipation of the W.P.A. and the policy of transferring "unemployables"<sup>2</sup> to state and local care. Generally speaking the survey found the economic condition of these families to be desperate, especially among the "unemployables". For those who still managed to remain on relief the benefits per family dropped during the fall and winter. Few of the states kept many of their social workers during this period. Many of the State Relief Administrations were wholly or partially dismissed although the states had been advised by the Federal government to set up permanent departments of public welfare. Within a few years however, most states had organized permanent public welfare departments, but for those which had previously released their relief staffs it proved a much more difficult task to do.

The W.P.A. and social security have been referred to. It might be enlightening to go back a bit and explain something of their purpose, development, and relationship to relief. On June 29, 1934, President

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<sup>1</sup>Abbott, Public Assistance pp. 764-765, quoting "Survey of Cases Removed from Relief Rolls," Monthly Report F.E.R.A., January, 1936, pp. 26-39.

<sup>2</sup>The term "unemployable" referred to people sixty-five and over, female heads of households with dependent children, and people with certain physical handicaps. Ibid., pp. 764-765.



Roosevelt appointed a Committee on Economic Security to "report to the President not later than December 1, 1934, its recommendations concerning proposals which in its judgments will promote greater economic security." The report was presented on January 15, 1935. It recommended the return of the "unemployables" to the care of the states and localities although technically the states and localities were already supposed to be caring for them. It also recommended an enlarged work program for those who needed employment plus Federal grants to states for "employables" who, for one reason or another could not be employed. In addition the recommendation of the report was "that the States substitute for the ancient, out-moded poor-laws, modernized public assistance laws, and replace their traditional poor-law administrations by unified and efficient State and Public welfare departments." And finally the committee recommended Federal grants not only for unemployment compensation "but also for old-age pensions, mothers' aid, general home assistance, care of homeless children and adults and other parts of the unified welfare program." On January 17th, President Roosevelt addressed Congress on the subject and said the Federal government should proceed with the necessary legislation. A Social Security Bill was introduced immediately but it did not become law until August 14, 1935. Under its provisions Federal grants were to be allotted to the states for Old Age Assistance, Aid to Dependent Children, Unemployment Compensation, Maternal and Child Welfare services for Crippled Children, Vocational Rehabilitation, and Public Health Work.<sup>1</sup>

The American Public Welfare Association, organized in 1930 to fight for public welfare, gave valuable information to states by way "of

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<sup>1</sup>Brown, Public Relief, pp. 303-306. All three quotes are from p. 303.



interpretation, advice and assistance to governors, legislatures, and State Welfare commissions; by the publication of a monthly news sheet of legislative digests, and of suggested State legislation for Social Security; and the collection and circulation of data on methods, policies, procedures and other material needed by the agencies which were preparing to administer Social Security benefits."<sup>1</sup> Because the Social Security Act provided for grants-in-aid on a matching basis it necessitated state legislation not only to provide for proper administration of the benefits, but also to raise the necessary state funds.

The Committee on Economic Security in addition recommended a Federal work program, and this program was organized and put into effect with much greater haste than the provisions of the Social Security Act. The new program, the Works Progress Administration, was officially started July 1, 1935, while the first social security payments were not made until February 11, 1936.<sup>2</sup> The W.P.A. however, was able to build upon the experience of the work program of the F.E.R.A. The W.P.A. differed from the F.E.R.A. in two important aspects; the W.P.A. was completely under Federal control, and once an unemployed person received employment with the W.P.A. he was removed from the hands of the social worker and the relief rolls, and was considered a Federal employee. The W.P.A. hired over 90 per cent of its workers from the relief rolls; sometimes up to 10 per cent of the employees were not those from relief rolls because of the need for supervisors and individuals with special skills. The W.P.A. did not want to

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<sup>1</sup>Ibid., p. 323.

<sup>2</sup>Ibid., p. 315.







create "made work", but instead projects that would be of some benefit to the community in which they were built. However it still wanted to create numerous jobs, and so projects were planned that would employ much labor rather than heavy machines. Approximately 80 per cent of the Federal funds for the W.P.A. went for labor.<sup>1</sup>

The W.P.A. provided about 3,100,000 jobs by the spring of 1936. That still left many in need of relief. The Social Security Act as noted was put into operation slowly. The period of transition after the liquidation of the F.E.R.A. was a time of confusion and chaos in public relief. It was most certainly a time of insecurity for the relief client.<sup>2</sup> By the summer of 1936 the relief picture brightened a bit, the W.P.A. employment was increasing, the administration of social security was functioning better, there was a pronounced rise in industrial employment since March, and of course there was a decrease from the winter needs of families on relief.<sup>3</sup>

During the F.E.R.A. period over \$3,250,000,000 was made available to the Relief Administration by the provisions of five acts of Congress. Only the first act, the Federal Emergency Relief Act of 1933, made a definite allotment to the F.E.R.A. The others were emergency appropriation acts which authorized the President to allocate the various amounts for relief and for public works. The following table illustrates

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<sup>1</sup>Hopkins, Spending to Save, p. 167.

<sup>2</sup>Brown, Public Relief, pp. 324-325.

<sup>3</sup>The Federal Emergency Relief Administration, The Trend of General Relief in the Continental United States from July to August 1936 (Washington: Government Printing Office, 1936), pp. 7-8.



the total F.E.R.A. appropriations.<sup>1</sup>

A relief administration blanketing the entire United States and its territories had been organized and developed with astonishing speed. This was remarkable when it is understood that this was done in a nation whose poor had depended for the most part on private charity. Relief administration had seldom been organized publicly except at the local level, and this had usually been done rather haphazardly. Often county commissioners had doubled as relief officers. Decentralization of relief administration had changed to centralization almost over night. Under Harry Hopkins' dynamism a smooth running hierarchy had been organized from the Federal Administrator on down to local social workers. In all fairness though it must be admitted that Hopkins inherited some administrative personnel from the R.F.C. Through the relief rules and regulations issued periodically by the F.E.R.A., and through the control sanctions the F.E.R.A. was able to employ, at least minimum relief standards were established throughout the United States. Still the F.E.R.A. was meant to be a cooperative venture between the Federal government and the states and so local initiative and participation was still encouraged. This was absolutely necessary if a relief program was to be implemented with any speed whatsoever. It also allowed the states to rise above the minimum standards established, and of course allowed some states to abuse the system.

Hopkins initiated a new relief philosophy to be implemented by the administration. No longer was the old poor relief philosophy to have reign, that the poor were poor only because they were lazy, and

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<sup>1</sup>Final Statistical Report, p. 101, see pp. 106-107 of the thesis.



Total FERA Appropriations, Allocations, Expenditures, and  
Unexpended Balance, by Appropriation Act

Cumulative Through June 30, 1941

Appropriation or authorization	Total authori- zations or allo- cations	Reallocations to other agencies and Presidential rescissions	Reversions to Treasury	Unex- pended balance, June 30, 1941
Grand total . . . . .	\$3,256,405,045.36	\$177,467,266.00	\$291,170.32	\$934.28
Federal Emergency Relief Act of 1933 (RFC funds). . . . .	500,000,000.00	88,960,000.00	. . . . .	934.28
Act of February 15, 1934 . . . . .	605,000,000.00	. . . . .	140,832.09	. . . .
National Industrial Recovery Act . . . . .	25,035,000.00	25,000,000.00	3,732.72	. . . .
Emergency Appropriation Act, fiscal year 1935-Total. . . . .	1,181,980,000.00	53,390,000.00	40,229.19	. . . .
Title II, par. 1: Appropriations for relief and other purposes by the act. . . . .	143,000,000.00	. . . . .	. . . . .	. . . .
RFC balances. . . . .	500,000,000.00	. . . . .	38,401.69	. . . .
PWA balances: Balances of funds received under NIRA. . . . .	148,000,000.00	. . . . .	. . . . .	. . . .
Balances of funds received under Emergency Appropriation Act, fiscal year 1935. . . . .	114,000,000.00	. . . . .	212.53	. . . .
Title II, par. 2: Appropriations for drought relief by the act. . . . .	276,980,000.00	53,390,000.00	1,614.97	. . . .
Emergency Relief Appropriation Act of 1935 .	944,390,045.36	10,117,266.00	106,376.32	. . . .





Expenditures				
Total	Grants to states and territories	Central Office		
		Total	Adminis- tration	Expended by other agencies
\$3,078,645,674.76	\$3,067, 600,196.17	\$11,045,478.59	\$7,651,449.87	\$3,394,028.72
411,039,065.72	410,690,000.00	349,065.72	349,065.72	. . . . .
604,859,167.91	602,812,883.32	2,046,284.59	983,488.43	1,062,796.16
31,267.28	. . . . .	31,267.28	31,267.28	. . . . .
1,128,549,770.81	1,123,201,694.06	5,348,076.75	3,454,586.62	1,894,490.13
143,000,000.00	143,000,000.00	. . . . .	. . . . .	. . . . .
499,961,598.31	497,548,747.63	2,412,850.68	1,628,120.28	784,730.40
148,000,000.00	148,000,000.00	. . . . .	. . . . .	. . . . .
113,999,787.47	113,259,774.28	740,013.19	629,814.20	110,198.99
223,588,385.03	221,393,172.15	2,195,212.88	1,195,652.14	999,560.74
934,166,403.04	930,895,618.79	3,270,784.25	2,834,041.82	436,742.43



that relief generally should be of such miserable degrading quality that only the most desperate would apply for it. The investigators at the local level of the administration were to treat the relief applicants as equals and endeavor to understand that not laziness, but economic disruption of society had made the applicants destitute. Many through fear or humiliation or because of lack of transportation to the relief offices did not apply for relief, although desperately in need of it. The social workers were to search these people out. Harry Hopkins noted that "the administration of relief and the researches we have made into standards of living of the American family have uncovered for the public gaze a volume of chronic poverty, unsuspected except by a few students and by those who have always experienced it."<sup>1</sup>

Undoubtedly the administration uncovered poverty not before noticed and also helped to change the public attitude to some extent toward those on relief. In its administration of relief the F.E.R.A. was not afraid to go against the grain of public opinion for what it considered humanitarian goals, an example of this was the relief it extended to transients, another example was the relief given to strikers. The F.E.R.A. did not want to be part of a scheme to force people to accept substandard paying jobs. These were all forward looking elements of the philosophy the F.E.R.A. endeavored to develop in its administration of relief.

President Roosevelt and Harry Hopkins indicated in their writings and speeches that they believed direct relief was demoralizing and degrading to those who had the capacity to work. Consequently efforts were made to establish and develop adequate work programs. They not

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<sup>1</sup>Hopkins, Spending to Save, p. 11.



only lifted the morale of the distressed but helped to preserve their work skills. In addition numerous public projects of worth were constructed. Relief grants for and administration of special emergency relief programs such as rural rehabilitation provided more than relief, that is more than helping someone to "get by" until a job was found. These programs provided for something permanent, for example, farmers got a new start and sometimes on better land. All of the special emergency and special relief programs in some way did more than simply give out a subsistence allowance.

The influence that the F.E.R.A. had on the development of permanent, "forward looking", departments of public welfare cannot really be accurately determined, nevertheless it can be said that the influence was very substantial. Because of the experience of the F.E.R.A. practically all states had established permanent welfare departments before the end of the decade. The F.E.R.A. then did more than just keep people from starving, it helped establish a basis for better relief in the future. The experience of the F.E.R.A. allowed the Federal government to set up rapidly a work program in 1935--the W.P.A. One might note it took much longer to organize social security, part of this delay could be attributed to the fact that the government had no previous experience with a social security plan.

The general overall picture of Federal relief appears bright, but there were some flaws in the structure. Many advocates of the F.E.R.A. had said that at least it kept people from starving, and that was somewhat commendable in itself when considering the serious crisis of the depression. However, the question can be asked if that was enough. The relief payments to families in need were never much more than a





subsistence allowance. The Federal Administrator, Hopkins, would probably have appreciated more money to spend but he did not get it. He was never able to plan more than a few months ahead because of the uncertainty of funds. While the F.E.R.A. did save many desperate people from actual starvation some deaths could probably be traced to under-nourishment. For example, an article in The Nation<sup>1</sup> in June of 1934, reported that a baby had died in Ohio because the mother was under-nourished. It claimed that similar examples could be found in every state. An editorial in the same journal in another June issue reported, that although people in New York had been kept from starvation "unemployment funds are hopelessly inadequate to maintain unemployed families in a recognized state of health and decency."<sup>2</sup> New York was actually giving more relief per needy unemployed family than were most parts of the United States. This further illustrates the inadequacy of relief funds distributed under the F.E.R.A. However, in one sense this points to the fact that the actual administration of relief was good. With such limited funds at its disposal the F.E.R.A. was still developed into a very viable program of relief. When all is considered its successes far outweighed its failures.

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<sup>1</sup>James Rorty, "America on the Work Dole," The Nation, Vol. 138 (June 27, 1934), p. 724.

<sup>2</sup>"The Relief Nightmare," The Nation, Vol. 138 (June 20, 1934), p. 691.



## CHAPTER V

### THE ADMINISTRATION OF WELFARE IN MONTANA 1933-1935

The workings of the F.E.R.A. at the Federal level of administration were examined in the previous two chapters; the purpose of this chapter is to discuss the administration of welfare under the F.E.R.A. in the State of Montana. Although the relief apparatus undoubtedly was not exactly the same in each of the forty-eight states, the F.E.R.A. rules and regulations required a degree of similarity throughout the Union. Thus, a study of the relief administration in a single state may present us with a good conception of the general administration of relief at the state level. The discussion of relief administration in Montana will be more chronological than was the discussion of administration at the Federal level; this will be done in order to follow the various changes in the Montana relief organization. The chapter will first examine briefly relief legislation in Montana prior to the depression, and then prior to the spring of 1933. The adaptation of the Montana Relief Commission to the Federal Relief Act and the subsequent F.E.R.A. rules and regulations from the spring of 1933, to early 1934, will be the next subject of inquiry. Before examining the Montana relief legislation passed in the winter of 1934 and the subsequent changes in the Montana Relief Commission over the next year, the organization and administrative structure of the Montana C.W.A. will be analyzed. An inquiry will also be made into Drought Relief and Rural Rehabilitation, both of which were of great import to Montana as



a major agriculture state. The M.R.C. was reorganized in May 1935. This reorganization as well as the transition in Montana to the W.P.A. and to social security under the Federal Social Security Act will be discussed. Again administration of relief is to be the main point of interest, rather than such things as the economic effects of relief on the economy of the state, or the social effects of welfare on the recipients of it. There are many points to be examined in relation to the administration of welfare; however, they can be summarized under three main categories: the organizational structure of the relief administration, the responsibilities and authority of the different relief officers, and the changes which took place in the organization.

The materials gathered for the research of this chapter proved adequate, but they contained some limitations. The minutes of the M.R.C. from January 1933, through December 1935, were obtained, as well as the minutes of the Montana Rural Rehabilitation Corporation. These minutes were of most importance in writing this particular chapter. However, the minutes of the M.R.C. were incomplete in some places. For example, they sometimes made reference to things which were discussed in the meetings of the Commission or to measures which the State Administrator of Relief had taken between meetings, yet no explanation or amplification of these discussions or events were given. The minutes noted only that a particular item was discussed. The House and Senate Journals and the Laws of Montana, 1933-1935, were very necessary and helpful. Special summary reports of the Montana W.P.A., Drought Relief, and Old Age Assistance in Montana, were brief but of some use in analyzing relief operations of the state. Likewise, the short book, The Development Of The Montana Poor Law, proved useful. Primarily in an effort to fill in





some of the gaps in information, the liberal newspaper, The Western Progressive, published in Helena, was studied for the period under discussion. For this study the minutes or records of relief committees of a few counties would have been useful in order to get a clearer idea of the administration of welfare in the state. It would take further search to locate such records provided they still exist.

Pre-Depression Legislation.--Montana provided for the care of the poor from the time of the first territorial government. The first legislature of Montana territory was sworn in on December 12, 1864, and by February 9, 1865, legislation was passed which made the county commissioners in each county responsible for the care of the poor, provided the immediate family of someone in need was unable to provide that help. In 1876 the legislature decided the county commissioners were not responsible for the care of any economically destitute person if that person had the physical and mental capacity to work. This was to be decided by a physician hired by the county commissioners. In 1889, the year of statehood, Montana became a bit more liberal again toward those in need. The state constitution declared, ". . . the several counties shall provide as may be prescribed by law for those inhabitants, who by reason of age, infirmity or misfortune, may have claim upon the sympathy and aid of society." Commencing in 1891 a poll tax of \$2 per male from the ages of 21-60 was collected by the county assessor for the care of the poor; beginning in 1921 an additional \$3 was collected from all males who did not have children. The poor were sent to the county poor house, sometimes called a poor farm, for care. However, when these houses had reached their capacities, the additional poor received aid in their homes. Until 1932 the counties were responsible for any help



the poor received with the county commissioners being in charge of the administration of relief.

During this period some special legislation was passed which provided for help to certain classes of people, and thereby kept them off the relief rolls. For example, in 1915 a mothers' pension act became law which allowed for aid to dependent children under fourteen with no father or with a father physically or mentally unable to work. This act was amended in 1917 to allow for aid to dependent children under sixteen, and the money allotment per child was also raised. At first, district courts had charge of the administration of this type of aid, but in 1933 the administration of mothers' pensions became the responsibility of the county commissioners, who received the applications, made the investigations, and decided who was eligible. Another example of special legislation was an old age pension act passed in 1923; the benefits were not to exceed \$25 per month and were only for those older than sixty-nine years.<sup>1</sup>

Concurrent with the depression unemployment rose rapidly in Montana, and the provisions for helping those in need of assistance proved to be utterly inadequate. The boards of county commissioners had the legal responsibility for helping those in need of relief, but the county tax levy permissible for the poor fund under the constitution was only six mills, and even that was difficult to obtain. Various charitable organizations also came to the aid of the poor.

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<sup>1</sup>Fredric R. Veeder, The Development of The Montana Poor Law (Chicago: University of Chicago Press, 1938), pp. 5-20.



Still, the serious unemployment situation could not be coped with.<sup>1</sup>

Late in the summer of 1932 an ex officio State Relief Commission was appointed by the governor to administer the distribution of money loaned to Montana by the R.F.C. An article in The Western Progressive on November 18, 1932, reported that \$481,250 had been loaned to Montana by the R.F.C. since September 1st.<sup>2</sup> The article stated that the money was distributed to the various counties by the state government, and that the county officers were the distributing agents to those in need. Although the article did not explain clearly, the "county officers" were legally the county commissioners. However, the central Relief Commission had been organizing its own administration to distribute R.F.C. funds. By January 1933, and probably sooner, separate relief boards were organized in each county. This State Relief Commission also had as part of its administrative structure five field supervisors, each of whom was responsible for a certain number of counties. These field men acted as liaison officers between the state relief authorities and the county relief boards. They endeavored primarily to see that the counties, in their administration of relief, followed the procedures which the State Relief Commission desired.

Depression Legislation.--The relief needs of the state drew the serious attention of the Montana legislature for the first time during the session of 1933, which lasted from January 2nd to March 2nd. Five different acts

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<sup>1</sup>Montana. Works Projects Administration, "A Report Prepared by the Montana State Appraisal Committee" (Helena, Montana: Historical Society of Montana, March 1938), p. 3.

<sup>2</sup>The Western Progressive (Helena, Montana), November 18, 1932, p. 1.







of the legislative assembly dealt primarily with relief; they were Senate Bills 25, and 35, and House Bills 127, 186, and 291.

Senate Bill 35,<sup>1</sup> approved February 14, 1933, was an act to amend a 1921 act prescribing when a person was eligible for county relief. It did away with the responsibility of relatives to aid their kin who were economically in need. It also provided that county commissioners could, if they so desired, require an able bodied recipient of relief to work for all of his relief, which was to be paid in cash or kind. The wage rate was to be that prevailing in the community at the time.

The county commissioners sometimes awarded contracts to look after the poor. Senate Bill 25,<sup>2</sup> approved March 7, 1933, amended some of the older statutes governing contract care of the poor in the counties. For example, Section 2 stated that separate contracts could be awarded for care of the poor and care of the sick within a county. With the coming of the F.E.R.A., this method of caring for the poor generally fell out of practice.

House Bill 127,<sup>3</sup> approved March 4, 1933, authorized Boards of County Commissioners to transfer money from other funds to a fund for relief purposes, provided the Governor declared that an emergency existed requiring extra funds. However, no money from any school fund, bond, sinking, or interest fund was to be transferred. The counties, though, generally followed the practice of levying a tax of six mills for relief

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<sup>1</sup>Montana. Laws Of The Twenty-third Legislative Assembly, January 2, 1933-March 2, 1933 (Helena, Montana: State Publishing Co., [1933]), Chap. 19, pp. 31-32.

<sup>2</sup>Ibid., chap. 50, pp. 86-87.

<sup>3</sup>Ibid., chap. 43, p. 65.



purposes in order to supplement state and Federal funds they received.

County relief boards had already been organized to administer relief funds from the R.F.C. House Bill 186,<sup>1</sup> approved March 4, 1933, officially authorized the existence of these boards.

House Bill 291,<sup>2</sup> also approved March 4, 1933, was the most important relief act passed during the 1933 legislative session as far as making provisions for a special agency to administer welfare in Montana. Section 1 authorized the governor to appoint a five-member commission, known as the "Montana Relief Commission", to serve for two years. The Commission was to appoint committees in all counties that received R.F.C. funds. This only made legal what had already been done, as a State Relief Commission had been acting since mid-1932. The governor simply appointed the members of the old Commission to the new one. The M.R.C. received authority in Section 2 to make the necessary rules and regulations concerning the application, investigation, and granting of welfare. It was to supervise the distribution of relief and make certain that relief standards were adequate. In order to compel compliance with the state regulations the State Relief Commission could withhold funds from the counties. For the first time in the history of the state the county commissioners did not have the sole authority for the care of the poor. The counties were still able to conduct their own affairs with regard to welfare provided they used only county funds, but the lure of Federal funds was so great that all of the

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<sup>1</sup>Ibid., chap. 44, p. 66.

<sup>2</sup>Ibid., chap. 45, pp. 66-67.



counties surrendered to this new act.<sup>1</sup>

The first meeting of the M.R.C., was held on April 9, 1933. The five members of the Commission were F.J. Gies, elected chairman, W.C. Lubrecht, elected vice-chairman, Elmer Holt, J.F. Kilduff, and D.G. Stivers. Estelle W. Nagle remained as secretary, and T.C. Spaulding as State Director of Relief.<sup>2</sup> Mr. Spaulding had been acting as Director for some time, but it was not until May 19, 1933, that the Commission resolved officially that he be appointed State Director of Relief to represent the Commission and act as its agent.<sup>3</sup> At the same meeting, the Commission decided that any powers it had to compel county compliance with rules and regulations were also to be delegated to the Director when the Commission was not in session. The Relief Director however, had to report on all of his welfare activities at each meeting for final approval. For example, from April 9th to May 19th the M.R.C. did not meet, but Director Spaulding made several changes in the personnel of some of the county relief committees; at the May 19th meeting the Commission officially ratified these changes.<sup>4</sup> Spaulding also had the right to discharge any relief employee if he felt the employee to be inefficient. The M.R.C. also decided, at the Governor's suggestion, that each member of the State Commission should have

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<sup>1</sup>Old Age Assistance In Montana, Governmental Research Publication No. 2 (Helena, Montana: The Montana Taxpayer's Association, December 1940), p. 8.

<sup>2</sup>Minutes of the Montana Relief Commission, title page of 1933-1934 minutes (in the files of the Department of Public Welfare, Helena, Montana).

<sup>3</sup>Minutes of the M.R.C., Meeting of May 19, 1933, p. 3.

<sup>4</sup>Ibid., p. 1.





authority to make changes in the personnel of county relief committees, but the field representatives were to report to the Director of Relief or the Commission before being allowed to make changes.<sup>1</sup>

As the state received money from the R.F.C. it was deposited in either the First National Bank or the Union Bank and Trust Company, both in the capital at Helena.<sup>2</sup> Until April 9, 1933, each county stated the amount of money it needed, and if possible the amount was deposited to that county's credit. As of April 9th, the counties were required to submit a list of their bills and the exact amount was credited to them in one of the two depository banks.<sup>3</sup> The method of disbursing funds again changed in late May when the M.R.C. decided that all relief vouchers were to be sent to the Helena relief office, and from there all the bills throughout the state would be paid. The exception to this policy was to be the populous Silver Bow County, of which Butte was the center; however, in February 1934 the issuance of relief checks for Silver Bow was also taken over by the Helena office.<sup>4</sup> The State Relief Director was authorized to sign checks drawn on relief funds, while one of the Commission members and the secretary were to countersign. All three of these individuals were bonded at \$10,000. By May of 1933, up to twelve thousand checks were drawn every month, and almost 100,000 purchase orders had to be audited. With this all to be done at the state relief office in Helena, an auditing staff was required. An R.F.C.

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<sup>1</sup>Ibid., April 9, 1933, p. 2.

<sup>2</sup>Ibid., January 6, 1933, p. 2.

<sup>3</sup>Ibid., p. 2.

<sup>4</sup>Ibid., joint meeting of the M.R.C. and the Montana C.W.A., February 26, 1934, p. 4.



representative promised Montana \$4,200 a month to cover the administrative cost of employing field supervisors and the auditing staff.<sup>1</sup>

The relief which was distributed to those in need was in kind rather than cash, and it was not until midway through 1935 that relief by cash was instigated on a large scale. The Relief Director, Spaulding, was given the responsibility of making out a list of groceries from which the poor were to select their orders. The merchants throughout the state who had previously been patronized by those now on relief or who had continued to carry customers who lacked the funds to pay their bills were to be given the business.<sup>2</sup>

Commencing June 1, 1933, the M.R.C. came under the authority of the Wagner-Lewis Act, which created the F.E.R.A. Toward the latter part of May, efforts were made by the Relief Commission to gather statistics on the amount of money the various counties in Montana had raised themselves for relief since the first of September 1932. This was done so that Montana would be eligible for F.E.R.A. funds under the matching scheme of this new Federal Relief Act. At the June 8th meeting of the M.R.C. a telegram from the Federal Relief Administrator, Harry Hopkins, was read which explained that a relief conference was to be held June 14th, in Washington, and that Hopkins wanted the Governor, the Chairman of the M.R.C., and the Relief Director to be present.<sup>3</sup>

The State Relief Commission did not meet again until July 21, 1933,

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<sup>1</sup>Minutes of M.R.C., May 19, 1933, pp. 2-3.

<sup>2</sup>Ibid., April 9, 1933, p. 2.

<sup>3</sup>Ibid., June 8, 1933, p. 2.



and so it was not until then that the policy changes which the F.E.R.A. hoped to instigate were discussed. State Relief Director, Spaulding, explained first the new policy of medical relief. He confirmed the F.E.R.A. regulation that medical, dental, and eye care were to be given at the recipient's home or at a doctor's office, but no hospital or institutional care was to be provided out of relief funds.<sup>1</sup> Spaulding explained he had attended a meeting on July 4th, of the Board of Directors of the Montana State Medical Association, and that the doctors had agreed to cooperate with the M.R.C. in giving medical relief. They said there would be only a minimum charge for any service rendered a welfare recipient, and that fifteen per cent would then be deducted. Copies of the standard charges were to be furnished to the county relief committees who were responsible for deciding who was eligible for medical relief. The Medical Association declared it would be responsible for investigating exorbitant charges or malpractice.<sup>1</sup> This medical agreement was the first major policy change of the M.R.C. under the F.E.R.A.

Spaulding noted that Hopkins had ordered at least one trained social service worker in each county, and at least one supervisor for every twenty social service workers who carried out the actual investigation of those applying for relief. The Commission however, agreed to postpone temporarily the employment of trained social service investigators because of the lack of funds. Only Silver Bow County hired investigators rather than rely on volunteer help, and that was because

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<sup>1</sup>Ibid., July 21, 1933, p. 1.





the Anaconda Copper Mining Company supplied the funds.<sup>1</sup>

One of the new F.E.R.A. regulations stated that rent, light, and water bills were to be paid, plus taxes and interest on mortgages. Mortgage interest payments were not to exceed what welfare recipients would need for rent were they not paying for their own homes. Because of lack of funds the Commission decided not to authorize the payment of rent, taxes, or interest on mortgages unless there was a real urgency;<sup>2</sup> this usually meant that part of these bills would be paid for the needy unemployed only to forestall eviction. This became the practice throughout most of the states.

Further, to get in line with F.E.R.A. policy, the Relief Commission discussed plans to set up a reemployment service in Montana. The purpose of this service was to furnish men for public works projects. Each state was required to designate a Director of Reemployment and a State Council of Reemployment to be made up of three men: the Directors of Reemployment and Relief plus one other man to be chosen by the governor. The M.R.C. also discussed organizing county reemployment agencies, each with three directors: one man from the relief board, one man who was an employer of labor, and one union man. The Directors of Relief and Reemployment were to work together to choose the locations and personnel for the unemployment offices. All Federal funds for this service were turned over to the M.R.C. who then paid for the operation of the reemployment service.<sup>3</sup> By August 7, 1933, the State Reemployment Council had been

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<sup>1</sup>Ibid., pp. 1-2.

<sup>2</sup>Ibid., pp. 1-2.

<sup>3</sup>Ibid., pp. 4-5.



chosen and five district agencies had been organized--at Missoula, Billings, Helena, Great Falls, and Butte. The managers of these agencies were to be paid \$150 per month plus \$5 a day expense money. Any other necessary personnel, such as office help, was to be provided by the local relief committees,<sup>1</sup> but was to be paid out of the special fund for the reemployment service.

During the July 21st M.R.C. meeting, Spaulding had briefly noted that private relief organizations such as the Red Cross or the Salvation Army, which in any way handled Federal funds were required to be directly under the control of the State Relief Commission. They were to lose their identity and operate as part of the county emergency relief committees.<sup>2</sup> In the August 7th meeting Pierce Williams, an F.E.R.A. field representative, further explained the Federal policy that public funds had to be expended by public agencies. He emphasized that personnel of private agencies should be formally commissioned to be agents of the county relief committees. Private agencies were to have signs in front of their offices indicating they were a part of a county relief committee. For example, if the Salvation Army was expending Federal funds to care for transients then it must have a sign reading, "County Relief Committee, Department of Transients."<sup>3</sup>

In order to better acquaint the county relief administrations with the many changes in welfare policy the M.R.C. decided to divide Montana into five districts, and hold meetings in each district during September.

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<sup>1</sup>Ibid., August 7, 1933, p. 2.

<sup>2</sup>Ibid., July 21, 1933, p. 2.

<sup>3</sup>Ibid., August 7, 1933, p. 1.



All county relief chairmen within the particular district, the field representatives, and the members of the State Relief Commission were to be present at each meeting. The policy meetings were subsequently held at Malta the 5th-6th, Miles City the 8th-9th, Billings the 11th-12th, Helena the 15th-16th, and in Missoula the 22nd-23rd.<sup>1</sup>

The M.R.C. made very real efforts to follow F.E.R.A. regulations; however, a lack of funds made it difficult to do such things as increase food and clothing allocations to the unemployed, or pay for rent, or pay those on work relief at the so-called "going" rate of wages. It was easier for the M.R.C. to fall in line in setting up the type of administrative organization Washington wanted, because this was usually less costly than increasing the relief budgets of those receiving welfare. In accordance with Hopkins' suggestion, the M.R.C. agreed to hold meetings at least twice a month.<sup>2</sup> This of course made for closer supervision of welfare. It was also the goal of the F.E.R.A. to provide closer supervision of case workers.<sup>3</sup> The Commission resolved to hire social service workers at \$50 per month plus expenses rather than rely on volunteer help. In their program there was to be one supervisor for every twenty case workers whose duty it was "to check up and standardize the work of the case workers." The M.R.C. also adopted a motion to employ a State Supervisor of Investigators, one who was thoroughly trained in case work, at a salary not to exceed \$175 a month. The case work supervisors (i.e. those in charge of twenty case workers) were to report to

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<sup>1</sup>Ibid., August 30, 1933, p. 3.

<sup>2</sup>Ibid., October 10, 1933, p. 3.

<sup>3</sup>Ibid., p. 3.





the field supervisor. The field supervisor was then to report to the State Supervisor of Investigators who often met with the M.R.C. The case workers were under the jurisdiction of the state relief office and were not subject to any orders from the county relief boards.<sup>1</sup> This dual administrative organization at the county level of relief administration caused numerous problems over the succeeding two and a half years. It should be noted that the counties of Silver Bow, Cascade, and Missoula were left out of the new social service system because they had previously hired their own investigators.<sup>2</sup> In these three counties the administration of relief remained unified.

The 1933 Montana legislative session had not made any provision to provide state funds for relief. The counties raised funds by charging a six mill tax. The state of course received F.E.R.A. grants, but that was the extent of the money Montana had for relief, except for a small allotment the 1933 legislature had made for the administration of House Bill 291, which was the act officially creating the M.R.C. The F.E.R.A. through its field representative, Pierce Williams, put pressure on Montana to raise more money, but Governor Cooney said it would be necessary to call a special session of the legislature to do that.<sup>3</sup> On October 10, State Relief Director Spaulding reported to a meeting of the M.R.C. on a recent trip to Washington by himself and Governor Cooney. He announced that the F.E.R.A. had promised to carry Montana through November and December, but that Governor Cooney would have to call the

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<sup>1</sup>Ibid., p. 4.

<sup>2</sup>Ibid., October 30, 1933, p. 3.

<sup>3</sup>Ibid., August 30, 1933, p. 7.



legislature to session in order for Montana to raise some of its own relief funds.<sup>1</sup> Hopkins promised Montana \$450,000 for November, and \$500,000 for December as Governor Cooney announced there was to be a special legislative session.<sup>2</sup> The Governor said it was necessary to pass emergency revenue measures to provide \$1,500,000 required by the state to match Federal aid appropriations for relief purposes.<sup>3</sup> In a special proclamation, issued November 10, 1933, Governor Cooney called the legislature to session November 27, 1933. He called attention to the fact that there was a very serious problem of unemployment in the state, that the United States Congress had enacted relief legislation which made it possible to give assistance to Montana's unemployed provided Montana raised part of the necessary relief funds itself. He said the first purpose of the session was to broaden the duties and powers of the Montana Relief Commission and enact taxation and legislation measures for the relief of the needy.<sup>4</sup>

Civil Works Administration.--During the time of this concern about a special session of the legislature, Federal Relief Administrator, Harry Hopkins, announced a work program, completely Federally supported, which would endeavor to relieve much of the unemployment distress by putting 4,000,000 of the nation's jobless to work over the winter of 1933-34.

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<sup>1</sup>Ibid., October 10, 1933, p. 2.

<sup>2</sup>Ibid., October 30, 1933, p. 1.

<sup>3</sup>The Western Progressive, October 27, 1933, p. 3.

<sup>4</sup>Proclamation of the Governor of Montana, Laws of The Extraordinary Session of The Twenty-third Legislative Assembly, November 27, 1933-January 19, 1934 (Helena, Montana: State Publishing Co., [1934]), pp. 1-2.



On November 10, 1933, Hopkins called for an emergency meeting to be held in Washington to explain the new program to the state representatives. Montana was represented by a group of six which included, among others, Governor Cooney and State Relief Director Spaulding.<sup>1</sup>

In the November 24th meeting of the M.R.C. Spaulding explained that because of the satisfactory manner in which the relief work of the state had been handled the Federal Civil Works Administration had asked the M.R.C., and its county relief committees to take over the administration of the civil works program in Montana.<sup>2</sup> The M.R.C. remained the same but with fewer duties because it did not have responsibility for much work relief, and its direct relief load lessened because many of the able-bodied unemployed received work with the C.W.A. Although the State Relief Commission and the Montana State Civil Works Administration were the same body, the meetings to discuss direct relief were distinctly separate from the meetings to discuss civil works. The members of the commission were state employees when involved in the administration of relief, but when acting in the capacity of civil works administrators they were Federal employees and received their authority from the Federal Government. Any officer working under the State Civil Works Administration received his authority from that board.

It was the policy of the Federal C.W.A. that half of those hired for work projects be taken from the relief rolls and the other half from the ranks of the unemployed who had not been receiving relief. Montana at first did not follow this policy. The State C.W.A. first decided to

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<sup>1</sup>The Western Progressive, November 10, 1933, p. 3.

<sup>2</sup>Minutes of the M.R.C., November 24, 1933, p. 1.





exhaust the relief rolls before hiring from the reemployment offices.<sup>1</sup> This was discriminatory action against some of the unemployed whose pride and nothing else had kept them off the relief rolls. The C.W.A. had officially started November 19th. As of December 1st, all unemployed men still on relief lists were required to register with the reemployment agency, but they were still to be given first preference for C.W.A. work.<sup>2</sup>

For its skilled labor requirements the Montana C.W.A. usually hired unemployed men registered with the American Federation of Labor or its member organizations. The reasoning presented was that the A.F. of L. was the recognized labor organization in the United States, and that it had separate divisions of skilled craftsmen. Rigid examinations had to be passed to belong to one of these divisions. Although the Montana C.W.A. received some complaints against this policy it instructed its field supervisors and county committees to follow its hiring instructions.<sup>3</sup>

The wage scale for those on C.W.A. projects was a minimum of \$.60 an hour for common labor, and a maximum of \$1.20 per hour for skilled labor. In addition to this, the local relief committees furnished work clothes if necessary. However, after a man began receiving C.W.A. checks he was not allowed any direct relief. If any capable person refused C.W.A. work he was not allowed to receive relief of any kind. This policy was later modified. An individual was not allowed to work more

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<sup>1</sup>Minutes of the Montana C.W.A., November 24, 1933, p. 2.

<sup>2</sup>Ibid., December 3, 1933, p. 1.

<sup>3</sup>Minutes of the M.R.C., joint meeting of the M.R.C. and the Montana C.W.A., March 2, 1934, p. 3.



than thirty hours spread over a six day week. However, he was allowed to make more than his budgetary relief needs, in fact he was taken off the relief rolls, but not more than one individual from a family was allowed C.W.A. work. Those on the projects were paid weekly; the disbursing agent was the disbursing agent of the Veterans Bureau.<sup>1</sup>

Montana commenced and completed work on a wide variety of state and local projects. The primary purpose was to employ large numbers of people and so no more than twenty per cent of the cost was allowed for materials. The Montana C.W.A. hired a state purchasing agent who was to be responsible for this aspect of the program.<sup>2</sup> During the November 24th meeting of the Montana C.W.A. fifty-four county civil work committees presented, and had projects approved. For example, Cascade County presented such projects as the building of a road for the city and county dump, and a city water works.<sup>3</sup> Most of the projects in all the counties were of such a nature that few materials were needed; they most often involved some type of repair work on public buildings or roads. After the initial projects, the county civil works committees were allowed to decide on their own projects without approval from the State C.W.A., but of course they were periodically checked by state representatives and Federal C.W.A. rules had to be followed. Many public organizations became involved in the sponsoring and supervision of C.W.A. projects. For example; the State Highway Commission presented 150 projects to be approved on November 24th. The highway Commission

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<sup>1</sup>Minutes of the Montana C.W.A., November 24, 1934, pp. 1-4.

<sup>2</sup>Ibid., January 4, 1934, p. 1.

<sup>3</sup>Ibid., November 24, 1933, p. 8. The city referred to was probably Great Falls.



was to buy the necessary materials and supervise the projects, the C.W.A. provided the men and paid for their labor. The Fish and Game Commission presented eighteen projects to be undertaken in twelve different counties. The arrangements were the same as for those of the State Highway Commission.<sup>1</sup> In the December 4th meeting of the Montana C.W.A., the State Commissioner of Aeronautics reported on his meeting with the Department of Commerce in Washington, where he received permission to build airports in about thirty counties that did not have any landing facilities. This was also a joint project involving the Department of Commerce and the C.W.A.<sup>2</sup> The State Engineer offered the assistance of his office on any project. A Safety Engineer was hired by the Montana C.W.A. to make certain that working conditions were safe.<sup>3</sup> Compensation was also provided for all relief workers who were injured; the C.W.A. paid for wages up to eighteen days after a three day lapse following an accident. The laborer received two-thirds of his previous pay.<sup>4</sup>

Montana's first quota of men to be employed under the C.W.A. was 14,000. This was based on a formula of seventy-five per cent in proportion to the state population, and twenty-five per cent in proportion to the relief load. The Montana C.W.A. decided to allocate jobs to the counties in proportion to the able-bodied men on each county relief list,

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<sup>1</sup>Ibid., p. 9.

<sup>2</sup>Ibid., December 4, 1933, p. 3.

<sup>3</sup>Ibid., January 4, 1934, p. 1.

<sup>4</sup>Minutes of the M.R.C., a joint meeting of the M.R.C. and the Montana C.W.A., February 17, 1934, p. 1.





using the October relief rolls as a base.<sup>1</sup> By December 4th, 12,000 people had been put to work on C.W.A. projects in Montana.<sup>2</sup> On December 13th, Montana's quota was raised to 22,000,<sup>3</sup> and by January 18, 1934, the quota was raised to 38,000,<sup>4</sup> which was the maximum number allowed Montana; however, the number of hours an individual was allowed to work was reduced.<sup>5</sup> Each week the Montana C.W.A. allotted money to the counties and the quota of men that could be employed in each particular county for the week. This was necessitated by the constantly changing quota allowed for the state. On February 17th, Hopkins in a telegram to the State Civil Works Director, announced that Montana's quota had been cut to 16,000.<sup>6</sup> Federal instructions were that labor was not to be staggered, and also that the need of workers was to be determined before releasing men. If for example, two men were equally in need the head of the larger family was to be kept working. The demobilization was also to proceed less rapidly in the larger cities than in the rural areas.<sup>7</sup> Montana's quota by the end of March was down to 7000,<sup>8</sup> and in early April the C.W.A. was officially liquidated. All

<sup>1</sup>Minutes of the Montana C.W.A., November 24, 1933, p. 2.

<sup>2</sup>Ibid., December 4, 1933, p. 1.

<sup>3</sup>Ibid., December 13, 1933, p. 2.

<sup>4</sup>Ibid., January 18, 1934, p. 1.

<sup>5</sup>Ibid., p. 3.

<sup>6</sup>Minutes of the M.R.C., a joint meeting of the M.R.C. and Montana C.W.A., February 17, 1934, p. 1.

<sup>7</sup>Ibid., a joint meeting, February 21, 1934, p. 5.

<sup>8</sup>The Western Progressive, March 2, 1934, p. 5.



the records in Montana were closed by April 15, 1934.<sup>1</sup>

The State Relief Commission continued to function concurrently with the State C.W.A. Relief was distributed to those unable to work. The administration of welfare remained generally the same over the winter of 1933-34 as it had been in the fall. However, some problems concerning the authority of the M.R.C., and the authority of the governor in relation to this Commission arose. At a meeting of the Commission on January 18th, the members decided that the Montana C.W.A. and the M.R.C. were Federally appointed, and consequently had to operate under the rules and regulations of the Federal government. This was only in part true, although the Federal government approved of the members of the State Relief Commission its members were appointed by the governor and received their authority by an act of the state legislature. The Commission also resolved that it had sole power of employing, directing, and discharging its agents, representatives, and clerks.<sup>2</sup> This was correct unless a new act of the Montana legislature changed it. But this policy brought the M.R.C. into conflict with Governor Cooney. The issue of authority arose because the governor wanted one of the engineers working on a C.W.A. project fired, and he also wanted a member of the State Relief Commission discharged. In addition the governor accused Spaulding, State Relief and C.W.A. Director, of "running the whole thing in a high-handed manner, telling us what he has done after he has done it, hiring people right and left."<sup>3</sup> Mr. Spaulding, in the midst of the

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<sup>1</sup>Minutes of the M.R.C., April 10, 1934, p. 1

<sup>2</sup>Ibid., January 18, 1934, p. 2.

<sup>3</sup>Minutes of the M.R.C., May 14, 1934, p. 2.



argument, asked whether the Board, or the executive officers of the state were responsible for the appointment and discharge of C.W.A. and F.E.R. workers? One of the M.R.C. members, Colonel Stivers, a lawyer, pointed out that one of the rights of the Commission was to appoint its agents at will.<sup>1</sup> However, during the course of the discussion the Commission agreed to consult with the Governor more often, especially in connection with responsible welfare appointments. Following this discussion it became a policy of Governor Cooney to attend M.R.C. meetings quite regularly.

The problems between the governor and the Commission were not settled by the one discussion. The governor himself called a meeting May 14, 1934, to explain that he wanted to know just where the authority lay in the administration of relief. He believed he was not being consulted enough with regards to the spending of the relief funds. Governor Cooney was particularly incensed with the appointment of a Mr. Lennes by Director Spaulding, and approved by Hopkins, to help coordinate the state relief activities in cooperation with the State Director and the Commission.<sup>2</sup> He threatened to withhold state funds from the Commission unless he received more cooperation. The policy of Federal authorities approving or rejecting M.R.C. relief appointments was another issue which offended the governor. Mr. Lennes explained that Washington was only endeavoring to avoid two separate relief organizations in a state, one spending Federal funds and the other state funds.<sup>3</sup> Governor Cooney declared he had heard many criticisms of the

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<sup>1</sup>Ibid., p. 2.

<sup>2</sup>Minutes of the M.R.C., May 14, 1934, p. 2.

<sup>3</sup>Ibid., p. 8.





county relief boards and consequently he wished to appoint at least three additional members to each board.<sup>1</sup> He even asked the M.R.C. to make a motion allowing him authority of appointment.<sup>2</sup> It was more than the governor's ego or position which prompted him to ask for such authority. He explained he had received complaints that some county relief committees were all Republican.<sup>3</sup> Quite possibly some Democrats felt that since the Democrats were in power in Montana, they should hold more positions on the relief committees, and they were putting pressure on the governor to get them.<sup>4</sup> Whatever the reason, Governor Cooney wanted many changes made in the county relief committees. The M.R.C. members presented three reasons why the governor should not add to the local committees. They noted that many of the committees were too large already to do efficient relief administration; often the local committee had difficulty in getting all the members together for a meeting.<sup>5</sup> The members of the Commission also argued that the administrator in each county was the real power in the administration of relief, that in reality the committees were just advisory. Finally, the Commission explained that it had the exclusive authority of appointment or dismissal,<sup>6</sup> and the Attorney

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<sup>1</sup>Ibid., p. 5.

<sup>2</sup>Ibid., p. 8.

<sup>3</sup>Ibid., p. 11.

<sup>4</sup>In a meeting of the M.R.R., July 2, 1934, the members discussed the dangers of people on the administrative relief payroll using their positions for political gain. They unanimously decided that people either holding public office or candidates for such office be requested to withdraw from their administrative position in the relief organization.

<sup>5</sup>Minutes of the M.R.C., May 14, 1934, p. 9.

Ibid., p. 9.



General of Montana backed up this particular argument after examining the 1933 and 1934 laws of the legislature pertaining to relief.<sup>1</sup> By the end of the discussion the problem seemed resolved; the M.R.C. wanted a reconciliation and decided if Governor Cooney received complaints then they would all get together to iron them out.<sup>2</sup>

Another significant problem arose during January, the solution of which illustrated the authority of M.R.C. in relation to the county relief committees. After investigation M.R.C. field representatives declared graft was prevalent in Sweet Grass County, and that the man most guilty of the offence was the chairman of the county committee, Dr. Barr.<sup>3</sup> Since the offences were those involving relief rather than C.W.A. projects, it was the function of the state to prosecute rather than the United States Courts. Until the matter was straightened out the central relief office sent three of its representatives to take over the administration of relief in the county.<sup>4</sup> It might be noted that the relationship between the state and its counties was similar to the relationship between the Federal government and the states under the F.E.R.A. In this case the state took over directly the administration of state and Federal funds in Sweet Grass County because of certain "irregularities" by the county relief administration. From time to time, as noted in chapter three, the Federal relief authorities found it necessary to "Federalize" the administration of relief in a

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<sup>1</sup>Ibid., p. 17.

<sup>2</sup>Ibid., p. 14.

<sup>3</sup>Ibid., January 29, 1934, p. 7.

<sup>4</sup>Ibid., a joint meeting of the M.R.C. and the Montana C.W.A., February 16, 1934, p. 1.



particular state. The state, if it desired, still had control over its own funds, but not the Federal funds.

Probably the most significant control sanction exercised by the Federal government over the states was the threat of withholding relief monies; should a state want to deviate from Federal rules governing welfare the possible loss of Federal funds made the state hesitate. This was likewise a salient control sanction exercised by the states over the counties. Through investigation the M.R.C. discovered some counties used their poor funds for the purchase of capital goods for county buildings, and used only the state and Federal allocations for relief. The M.R.C. resolved to withhold funds from counties in an attempt to persuade them to contribute their share.<sup>1</sup>

In Yellowstone County an odd situation developed. Instead of the State Relief Commission making demands on the county with the threat of withholding funds, the county demanded that it take over completely the administration of relief to employables and use its own funds. The state was still left with the responsibility of providing direct relief for the unemployables such as the indigent and aged.<sup>2</sup> This left the county with two relief administrations.

Relief Legislation of 1933-1934.--An examination of some of the more important relief measures passed by the extraordinary session of the legislature is necessary before going on to discuss the activities of the M.R.C. from the spring of 1934 to early 1935.

During the session the legislature appropriated on January 21, 1934,

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<sup>1</sup>Minutes of the M.R.C., January 4, 1934, p. 1.

<sup>2</sup>Ibid., July 25, 1934, p. 1.





by House Bill 82, \$750,000 for the M.R.C. to use for relief until March 1, 1935.<sup>1</sup> The revenues were to be produced from a number of sources such as taxes on incomes,<sup>2</sup> inheritances,<sup>3</sup> and public services such as electricity,<sup>4</sup> natural gas,<sup>5</sup> and telephone service.<sup>6</sup> Fifty per cent of the profits from state liquor stores was also to be allocated to the relief funds,<sup>7</sup> as was part of the money received from the sale of beer parlor licenses.<sup>8</sup>

House Bill 26,<sup>9</sup> approved January 2, 1934, dealt with application for relief and residence requirements. Section 1 stated that a person applying for relief might receive only temporary help unless the residence requirement of one year in the particular county had been fulfilled. The applicant also had to sign a document allowing the county relief representatives to investigate his financial situation. Section 2 explained that a non-resident of the particular county in which he was applying for relief was to be provided transportation to his home county.

<sup>1</sup>Montana. Laws Of The Extraordinary Session, 1933-34, chap. 56, secs. 1-2.

<sup>2</sup>Ibid., chap. 40, sec. 28.

<sup>3</sup>Ibid., chap. 48, sec. 4.

<sup>4</sup>Ibid., chap. 51, sec. 3.

<sup>5</sup>Ibid., chap. 52, sec. 2.

<sup>6</sup>Ibid., chap. 54, sec. 2.

<sup>7</sup>Ibid., chap. 57, sec. 1.

<sup>8</sup>Ibid., chap. 46, sec. 17.

<sup>9</sup>Ibid., chap. 19, pp. 60-62.



Section 3, in clarifying section 1, allowed that a non-resident could be supplied relief "in cases of extreme necessity and destitution." Non-residents from out of the state were given relief by the several transient camps set up in Montana.

House Bill 52,<sup>1</sup> also approved January 2, 1934, further clarified the powers and duties of the Montana Relief Commission. It noted that an emergency relief fund was to be set up and the M.R.C., as a state institution, was to administer the fund. The authority of the Commission was to lapse only when specified by the state legislature. Each of the members of the Commission was required to take a constitutional oath of office, and furnish a surety company bond to the state of \$5,000. The state was to pay the premium. This act was in actuality similar to House Bill 291 of the 1933 legislative session. The 1933 act however contained nothing about an emergency relief fund, it set up the M.R.C. and gave it authority to administer R.F.C. funds in Montana; the 1934 act also gave the M.R.C. authority to administer state funds.

As with the F.E.R.A. in general the Relief Administration in Montana was a rather complete organization by mid-1934. It did of course continue to evolve and change, but practically no new agencies or programs came into existence. For this reason the discussion of relief in Montana will now be more topical than it has been.

In early July 1934, Dr. W. J. Butler was appointed to be the new Administrator of Relief in Montana. Spaulding had been in an auto accident in early May and was given a temporary leave of absence, and Senator Holt was named temporary Relief Director.<sup>2</sup> At a meeting of the

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<sup>1</sup>Ibid., chap. 20, pp. 62-63.

<sup>2</sup>The Western Progressive, June 15, 1934, p. 1.



M.R.C. on July 2, 1934, a special F.E.R.A. representative from Washington, John M. Carmody, explained that Mr. Hopkins had lost confidence with the M.R.C., particularly with the Director. Although he was pressured, Carmody made no specific charge against the Commission, only that Hopkins had lost confidence in it. Spaulding affirmed that he would resign, and on the glowing recommendation of Mr. Carmody, Dr. Butler, the State Veterinarian, was accepted by the M.R.C. as the new Relief Director.

Under Dr. Butler, the administration of direct relief changed quite significantly. Plans were discussed in his first meeting to organize a county administrator system. This meant that county committees would be done away with except for an advisory capacity, and consequently the administrators would have more power. In the county administrator system the administrator was in charge of the county case workers. Previously, the case workers had only been subject to the authority of the administrators of the Social Service Division. Now the dual administration in the counties was ostensibly brought to an end. This new system was meant to be a reform because it would speed up the administration of relief.<sup>1</sup> The county administrator would be able to act without waiting for the sanction of a committee which generally proved difficult to call together.

By October the new system still was not in operation, but concrete action was being taken to implement it. Three men representing the M.R.C. were visiting the various counties in order to find capable men to recommend for the appointment as county administrators, as about

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<sup>1</sup>Minutes of the M.R.C., July 25, 1934, p. 6.





eleven counties did not have an administrator. Advisory committees were to be appointed later after the county administrator and district supervisor had presented a list of recommended persons to the M.R.C. The state was also to be divided into six new districts which would replace the old districts. In each district plans were made to place a district engineer, a district rural rehabilitation supervisor, a district case worker, a district auditor, and a general district supervisor.<sup>1</sup> The appointments had all been completed by the middle of November.<sup>2</sup> This new form of administration paralleled what had taken place at the Federal level of the F.E.R.A. Instead of field representatives and specialized relief personnel all working out of Washington, permanent field offices over specified regions of the nation were organized. The regional office became a permanent part of the F.E.R.A.; field representatives, regional work relief engineers, regional rehabilitation supervisors, etc. made this office rather than Washington their headquarters. From the information available there is no record that the F.E.R.A. headquarters required the states to follow this new pattern of administration which Montana adopted. It may have been suggested to Dr. Butler by some Federal relief representative, or he may have realized by himself that it was a more effective way of administering relief.

At the December 10th meeting of the M.R.C. Dr. Butler made some rather specific statements about the duties of some of these officers. The district supervisor or coordinator was to be chairman of the district

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<sup>1</sup>Ibid., October 9, 1934, p. 2.

<sup>2</sup>Ibid., November 15, 1934, p. 2.



and hold meetings with all those working in relief administration in his counties. His purpose was not to give orders to the county administrators, rather it was to recommend or advise changes to them that would facilitate the relief work. In addition the district coordinator was to make known to those under him new policies of the M.R.C. It was also within the bounds of his authority to recommend to the State Administrator personnel changes he thought advisable. As the lines of authority between the social service personnel and the county administrators were not clear, Dr. Butler took time to explain. The Social Service Division was responsible for determining eligibility for relief. The district case workers of the division were to check on the county case workers, primarily to make certain they followed correct procedures in their investigations. The budgets of those on relief had to be certified by the case worker, who was also directly responsible for determining who was eligible for relief and who was not. However, all county case workers were to be subordinate to the county administrator who was responsible for the relief administration in the county.<sup>1</sup> In actuality Dr. Butler was vague on this last point; possibly because of the system, it was impossible for him to clear up the question of who really was the "boss" over the case workers. Certainly for the case workers it was a problem. If the district case work supervisors and the county administrators gave contradictory advice to them then who was to be followed? This problem could have been solved by removing the case workers from the district organization of relief administration, and making the county case workers solely responsible to the county

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<sup>1</sup>Ibid., December 10, 1934, p. 1.



administrators. Yet this would have removed from the administration those especially equipped, because of their social work training, to advise on how to deal with those in need of relief. This dichotomy never was resolved in Montana during the duration of the F.E.R.A., and it became the main source of controversy between Washington and the M.R.C. in late 1935.

The M.R.C. spent a considerable portion of many meetings listening to various groups making complaints about relief administrators, or the methods of distributing direct relief and hiring for work relief. Many complaints were trivial, or simply impossible to deal with. Many groups wanted the amount of relief doubled or tripled which was impossible to do. However, some of the groups presented very legitimate complaints. For example, the representatives of Deer Lodge County explained to the M.R.C. that those on relief in the county had to wait in line several hours for their quota of milk, and they felt it should be delivered. They further explained that the meat for relief recipients was handled in an unsanitary manner, and they were required to take a one week supply. Consequently some of it spoiled because few people on relief had refrigeration. The M.R.C. promised to investigate the problems.<sup>1</sup> But legitimate or trivial, many of the problems might have been solved by the county boards or at least by the district relief boards, and it was obvious that such a scheme would facilitate the efficient functioning of relief administration for Montana as a whole. The M.R.C. resolved to make this a part of the new system. All complaints against the relief administration by some county delegation first had to be heard by the district board. If the problems were not

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<sup>1</sup>Ibid., May 31, 1934, p. 2.







solved there the delegation was permitted to appear before the State Relief Commission, but only with a member of the district board or with the county administrator.<sup>1</sup> After this ruling any delegation that appeared at an M.R.C. meeting without going through the proper channels was promptly re-routed.

Toward the end of 1934 the M.R.C. decided it was not entirely satisfied with medical relief and its medical contract with the Montana Medical Society. The Commission resolved to hire a physician licensed to practice in Montana and to be designated as the Medical Director of Relief. Specifically his duty was to pass judgment on all medical claims, and make certain the fee schedule of the Montana Medical Society was adhered to. In addition he was to serve as a medical advisor to the Compensation Department. The M.R.C. decided it would assume no liability for payment of a medical service unless confirmed by the Medical Relief Director.<sup>2</sup>

At the same meeting the Relief Commission determined to enlarge the administration of relief to include the Indian population. A Coordinator of Relief to Indians in Montana was appointed and the M.R.C. also resolved to appoint the Indian agents of the various reservations of Montana as administrators of relief. Although the Indians received some help under the Rural Rehabilitation Corporation this was the first time the minutes of the M.R.C. recorded that the Indians were to be included in the direct relief program.<sup>3</sup>

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<sup>1</sup>Ibid., October 23, 1934, p. 3.

<sup>2</sup>Ibid., December 19, 1934, p. 2.

<sup>3</sup>Ibid., p. 3 and p. 5.



One policy which the M.R.C. constantly vacillated on was whether or not to give relief to someone who refused work. Until April 1934, the policy was to refuse relief to such individuals. The M.R.C. then gave help to those who refused to work but generally the county administrators, and some of the members of the M.R.C. were against the practice. By the end of November the Relief Commission again changed its policy when it decided to remove any relief client from the relief rolls who refused a legitimate job which he was capable of fulfilling.<sup>1</sup> The term "legitimate job" was not to cover a man who refused to take the place of a striker, or one who refused work at less than the prevailing trade union rates of pay, nor one who refused to take the job of another worker at less pay.<sup>2</sup>

Work Relief.--With the termination of the C.W.A. in April, 1934, the F.E.R.A. organized a separate Work Division. The M.R.C. followed suit by organizing a State Work Division.<sup>3</sup> Prior to the C.W.A. the M.R.C. had carried on some work relief projects, but they were few in number and of little consequence in comparison to the whole relief program. With the experience of the C.W.A. behind it, the M.R.C. was able to implement a major work relief program, providing work for approximately thirty to forty per cent of all relief cases.<sup>4</sup> However, this percentage decreased rapidly in 1935 with the advent of the W.P.A. To help take care of the extra paper work a separate accounting division was

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<sup>1</sup>Ibid., November 26, 1934, p. 3.

<sup>2</sup>Ibid., December 27, 1934, p. 3.

<sup>3</sup>Ibid., April 10, 1934, p. 1.

<sup>4</sup>Final Statistical Report, Table I and Table IV.



organized.<sup>1</sup> Those on work relief were allowed to work out their budgetary requirement which was paid in cash at the "going" rate of wages in the community.

Montana was divided into two divisions. All towns with a population greater than 5000 were considered as work division towns, while the rest of the state was put under the rural rehabilitation plan in areas known as rural counties. The counties of Carbon and Musselshell, although each had a population of less than 5000, were considered as work division counties.<sup>2</sup> The county relief committees organized county projects, but were still responsible to the field representatives representing the M.R.C. Under the administrative reorganization of November 1934, the county administrators made arrangements for projects with the assistance of the district engineers. Sometimes major work relief projects were organized by the State Work Division. The counties in which these projects were located were allowed to raise the necessary quota of men to complete these projects. Often work projects were planned in cooperation with state agencies such as the Department of Education, or with some other relief department such as the Rural Rehabilitation Division. Some projects were even organized in cooperation with private industry in which the Work Division supplied the necessary workers from the relief rolls and the money for the project, while the particular industry provided the physical plant and supervised the project. Examples of the above arrangements will be noted when discussing some of the specific projects in Montana.

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<sup>1</sup>Minutes of the M.R.C., April 10, 1934, p. 1.

<sup>2</sup>Ibid., p. 2.





On July 1, 1934, the M.R.C. entered into a contract with the Hansen Packing Company in Butte to pack meat for distribution as relief.<sup>1</sup> The cattle were to be purchased by three agencies, the A.A.A., the Rural Rehabilitation Division of the M.R.C., and directly by the M.R.C. The M.R.C. was to supply the laborers, most of whom were to come from Silver Bow County, and some of the materials. The Packing Company was to supervise the actual packing of the animals. The M.R.C. did supply a personnel man to handle relations between the Company office and the relief people in the plant, a business manager to check on the incoming cattle and the outgoing products, and an auditor to audit all the accounts. It also paid Hansen Packing Company for the use of the facilities and the supervision by the Company. Soon, the plant was employing people in three five-hour shifts<sup>2</sup> to slaughter, cook, and can the beef cattle. The cans and boxes used were made by relief workers on another project. The sewing project of Silver Bow County made the clothes worn by the laborers and relief workers laundered them.<sup>3</sup> The meat was sent to county warehouses where it was distributed as relief. In the summer of 1935 this operation became a W.P.A. project. Similar projects were also established with the Great Falls Meat Company and the Bozeman Canning Company, but these operations were on a smaller scale.

State, county, and local planning boards<sup>4</sup> originated and completed

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<sup>1</sup>Ibid., July 2, 1934, p. 2.

<sup>2</sup>The Western Progressive, July 20, 1934, p. 5.

<sup>3</sup>Minutes of the M.R.C., August 15, 1934, p. 1.

<sup>4</sup>Ibid., April 10, 1934, p. 3. County relief committees were required to approve any work project originated by various town and city planning boards.



numerous work projects, many of permanent value to the state. By May 1935, 1,032 projects had been completed and 1,459 were still active. Besides the projects already mentioned typical work projects included road construction and road repair, water conservation and flood control, a transient sawmill, an apple-sauce cannery, and mattress factories.<sup>1</sup> Montana also had some white collar work relief projects; for example, unemployed nurses were hired to care for the sick under this program.<sup>2</sup>

In addition, Montana participated in the Emergency Education and College Student Aid programs. Plans were prepared in the fall of 1933 by representatives of the Bureau of Education, the Department of the Interior, and the State Superintendent of Public Instruction<sup>3</sup> to keep rural schools open and put unemployed teachers to work.<sup>4</sup> From January through December 1935, \$179,505 was spent in Montana on this program.<sup>5</sup> In February of 1934, 313 teachers were hired, and 387 in February 1935, the two busiest months of the program.<sup>6</sup> From February 1934, through June 1935, \$80,519 was expended for College Student Aid.<sup>7</sup> This aided a minimum of 297 students during February 1934, the first month of the

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<sup>1</sup>Robert H. Hall (artist), FERA Projects and Activities May 1, 1935 (Helena, Montana: State Publishing Co., 1935), illustrated map.

<sup>2</sup>Minutes of the M.R.C., December 27, 1934, p. 2.

<sup>3</sup>Ibid., December 4, 1933, p. 2.

<sup>4</sup>The Western Progressive, January 5, 1934, p. 6.

<sup>5</sup>Final Statistical Report, Table XVI, p. 297.

<sup>6</sup>Ibid., Table XV, p. 229.

<sup>7</sup>Ibid., Table XVI, p. 297.



program, and a maximum of 630 during February and April of 1935.<sup>1</sup> Along with transient relief and rural rehabilitation these two programs were officially part of Special Emergency Relief. Since they were also types of work relief they are discussed under the work relief program in Montana.

Rural Rehabilitation and Drought Relief.--Drought relief was an F.E.R.A. program started in late spring 1934, and terminated by the end of the year. Rural rehabilitation also commenced in the spring of 1934 but it was not officially terminated as an F.E.R.A. program until July 1935, when it became part of the Resettlement Administration. The rural rehabilitation plan took over uncompleted drought relief projects at the end of 1934.

The rural rehabilitation program commenced in April 1934, in areas known as rural counties.<sup>2</sup> In accordance with instructions from Washington the M.R.C. added to its staff a director in charge of planning rural rehabilitation work. The Relief Commission was also required to establish a rural rehabilitation committee in each county which was to work under the county relief committee. In addition there was to be established, in each community, a rural rehabilitation committee to supervise all activities pertaining to rural rehabilitation in the community. Each committee was to be made up of five people: one farm tenant, one well-liked landlord, a farmer or stockman, and two farmers or tenants being aided under the plan.<sup>3</sup> In order for someone to receive

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<sup>1</sup>Ibid., Table XII, p. 232.

<sup>2</sup>See p. 145 of this chapter.

<sup>3</sup>Minutes of the M.R.C., April 10, 1934, p. 3.







aid it was necessary that they either be on relief or be a border-line case.<sup>1</sup>

Many ways were devised to help the rural distressed. One of the major problems was to move farmers off sub-marginal land, but before doing this the M.R.C. decided it would take soil tests to see if the land under question might be made productive with irrigation.<sup>2</sup> Farmers were also to be loaned capital goods, such as seed, machinery, or cattle, in order to make themselves self-sufficient. Once the farmer began making money, the cost of the capital goods was to be repaid, in cash or in kind. If the farmer worked on some public enterprise such as a farm-to-market road he was to be paid work relief wages.<sup>3</sup> The projects from which farmers were able to earn cash or kind for subsistence or to apply toward capital goods included such things as community gardens, flood, irrigation and grazing projects, reforestation,<sup>4</sup> and the processing of various consumer goods such as fruit, vegetables, and meat in canning or packing plants.<sup>5</sup>

A Montana Rural Rehabilitation Corporation was formed officially on July 17, 1934.<sup>6</sup> However, because of certain changes which Washington

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<sup>1</sup>Ibid., p. 4.

<sup>2</sup>Ibid., p. 3.

<sup>3</sup>Ibid., p. 2.

<sup>4</sup>The Western Progressive, June 29, 1934, p. 6.

<sup>5</sup>Minutes of the M.R.C., April 10, 1934, p. 2.

<sup>6</sup>Ibid., September 25, 1934, p. 4.



wanted, a new corporation was organized on October 23, 1934.<sup>1</sup> It was a stock company consisting of seven directors.<sup>2</sup> Dr. Butler, State Relief Administrator, Dr. Warren, Assistant Administrator, and Robert Clarkson, Rural Rehabilitation Director of the M.R.C., were elected as an executive committee with power to act for the Board of Directors during intervals between meetings.<sup>3</sup> The Corporation had power to acquire and hold property and so acted as the agent of the M.R.C. by holding its property. The members of the M.R.C. believed that the Commission lacked this power; however, a later reinterpretation of House Bill 43 of the 1934 Extraordinary Session of the Legislature showed that the M.R.C. had been given authority to hold property. In late 1935 the property held by the Rural Rehabilitation Corporation was returned to the M.R.C.

The Rural Rehabilitation Corporation, because of its power to buy, hold, and sell property, acted as the instrument of the Rural Rehabilitation program. The Board met about once a month to discuss its plans and the proposed implementation of them. No farmer or farm tenant received advances from the Corporation until March 1935, although some

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<sup>1</sup>Minutes of the Montana Rural Rehabilitation Corporation, p. 1 (in the files of the State Veterinarian, Livestock Building, Helena, Montana).

<sup>2</sup>Ibid., p. 7. The directors included: the Regional Representative of the F.E.R.A., the Regional Director of the Land Policy Section of the A.A.A., the Emergency Relief Administrator of the M.R.C., the Director of the Agricultural Extension Service of Montana, the Rural Rehabilitation Director of the M.R.C., plus two members of the M.R.C. All of the directors held one share of stock. Should any of the directors be removed or changed from their administrative position in the F.E.R.A. or M.R.C. for example, the new appointee automatically became a director of the Corporation.

<sup>3</sup>Ibid., p. 36.



public enterprises were undertaken before that. During March, 10 people received loans, 1,507 during April, 688 during May, and 649 during June,<sup>1</sup> the last month Rural Rehabilitation was under the F.E.R.A.

In each county there was a county rural rehabilitation worker who processed the applications for aid under this program. Once the client was accepted as a rural rehabilitation case by the state office, and the funds had been made available, the client was dropped from direct or work relief. The Rural Rehabilitation Division at Helena made out a detailed report to be sent back to the county rural rehabilitation committee which showed the items to be bought, and the maximum amount which might be spent on each item.<sup>2</sup> The county worker then contacted three places where the capital goods could be purchased. The Corporation bought the goods from the lowest bidders,<sup>3</sup> provided the client was satisfied with the purchases.<sup>4</sup> The county rural rehabilitation case worker was required to call on his clients at least once a month, until they were self-sustaining, in order to prepare requisitions for subsistence goods. The case worker was to specify to the Helena office the amount needed for food, clothing, fuel, or other requirements. The central office then sent the disbursing order through the mail to the client and he was able to buy from the merchant of his choice.

There was no conflict of administration between the M.R.C. and

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<sup>1</sup>Final Statistical Report, Table XIII, p. 234.

<sup>2</sup>Minutes of the Montana Rural Rehabilitation Corporation, meeting of April 8, 1935, p. 7.

<sup>3</sup>Ibid., p. 8.

<sup>4</sup>Ibid., p. 9.





the Rural Rehabilitation Division. This harmony was probably inevitable considering that three of the directors of the Corporation were also members of the M.R.C. Dr. Butler, Director of the Relief Commission, at meetings of the M.R.C. reported on the proceedings of the Rural Rehabilitation meetings.

A very severe drought struck many of the mountain and mid-western states during 1934 with severe economic consequences. The F.E.R.A. set aside a special fund for drought relief, some of which was allotted to Montana. The M.R.C. called a special meeting for June 1, 1934, in which a number of people besides the Relief Commission members were present, to discuss the drought situation and how best to spend the drought relief allocation from Washington. The conference decided to organize a special committee to handle the emergency situation. The first duty of the committee was to compile a report showing what needed to be done. Those at the conference then decided that the M.R.C. might delegate certain administrative powers to the special committee or to another committee of its choice. Seven people were appointed to make up the drought committee: the directors of Relief, Rural Rehabilitation, and Extension Service, the State Veterinarian, the State Engineer, the President of Montana State College, and a representative of the State School of Mines.<sup>1</sup>

A plan was organized which involved either sending cattle and sheep from drought areas to market for slaughter, or else sending them to special grazing areas where the drought was less severe. Part of the funds was also used to develop water resources in the grazing

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<sup>1</sup>Minutes of the M.R.C., June 1, 1934, p. 2.



areas, primarily for digging wells. A number of agencies besides the M.R.C. participated in the program. The A.A.A. furnished most of the funds for the purchase of the cattle and sheep. County agents, who supervised the purchase activities, were drawn from the Agricultural Extension Service but were paid by the A.A.A. The Bureau of Animal Industry assisted in appraising the animals and disposed of the cattle that were condemned. The M.R.C. used Federal Surplus Relief Corporation funds in addition to its own drought relief funds to supervise the shipping of the animals to packing plants, either in the mid-west or to the Hansen Packing Company in Butte. The M.R.C. also supervised the distribution of livestock to the grazing areas where it was held for later packing.<sup>1</sup> Some of the livestock was eventually sent back to its original owners once the drought situation had eased. The special cattle program ended January 17, 1935.<sup>2</sup> After that the M.R.C. received F.E.R.A. funds to continue to purchase cattle for the work relief packing projects in Montana.

Transient Relief.--The records available explaining some of the specialized relief activities in Montana are simply inadequate. For example; the Relief Director, at least during Dr. Butler's administration, held weekly meetings with the heads of the various departments under the M.R.C., but the records of those meetings are not available. Dr. Butler

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<sup>1</sup>"A report on cattle, sheep, and pelt distribution by the Montana Relief Commission and the Federal Surplus Relief Corporation in Montana June 18 - December 19, 1934, presented to Dr. W. J. Butler by T. R. Schoenborn, Director of Livestock Operations" (unpublished typescript in the Montana State Library, Helena, Montana).

<sup>2</sup>Ibid., p. 1.



reported on the departmental meetings to the M.R.C.,<sup>1</sup> but the M.R.C. minutes contain nothing of what was said. Although very valuable, the minutes of the M.R.C. present only fleeting glimpses of such things as commodity distribution, drought relief, or transient relief. For example, the minutes of August 17, 1935, declared that a complete report of transient service had been made and was being attached, unfortunately it was not.

Althouth the F.E.R.A. organized its transient department in the late summer of 1933, it was not until early summer of 1934 that the M.R.C. officially set up a transient department. However, the minutes occasionally make inferences that transient individuals were given some aid before that time. The Director of Transient Service reported to an M.R.C. meeting July 25, 1934<sup>2</sup> that approximately 10,700 men were being cared for under the program in ten separate centers. She explained that the transients worked twenty-four hours a week for room, board, clothing, and medical attention. Education classes in formal or shop subjects were also given to those who desired them. It cost \$.60 per day to feed each transient; in addition each received a cash allowance of \$1 to \$3 per week, depending on the work performed. The Federal government supplied all the money to run the transient centers, which amounted to \$1,060,377 for Montana.<sup>3</sup>

The transient service seemed to be a very efficient, humanitarian department of relief in Montana for a time. But in 1935 there began to

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<sup>1</sup>Minutes of the M.R.C., November 26, 1932, p. 1.

<sup>2</sup>Ibid., July 25, 1934, p. 7.

<sup>3</sup>Final Statistical Report, Table XVI, p. 297.





be some friction between the M.R.C. and the Transient Division, which came under Federal control at the end of July of that year.<sup>1</sup> The M.R.C. complained that the leaders of the Transient Division, who had been brought in from out of state, would not take any recommendations from the Relief Commission even though the Relief Commission members were more familiar with the welfare problems of the state. The M.R.C. further charged that the transients at the Coram Camp had been so undisciplined that they became a menace to the people of Flathead.<sup>2</sup> This quite possibly was an exaggeration. Friction between the local population and transients was a problem in many parts of the nation and it was not always completely the fault of the transients. However, friction between the M.R.C. and the Transient Director was practically inevitable once the Transient Division was removed from the supervision of the M.R.C. The F.E.R.A. leaders may have felt that Montana was running an inadequate transient service, yet the F.E.R.A. never made any charges against the M.R.C. The problems were not solved but this was of little consequence as the transient camps were all closed down by the end of the year except for two which became W.P.A. projects.<sup>3</sup>

Relief Legislation of 1935.--The most significant act of the legislature in 1935 pertaining to relief was House Bill 343,<sup>4</sup> approved March 11, 1935.

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<sup>1</sup>Minutes of the M.R.C., July 31, 1935, p. 2.

<sup>2</sup>Ibid., November 1, 1935, p. 7.

<sup>3</sup>Ibid., December 13, 1935, p. 1.

<sup>4</sup>Montana. Laws Of The Twenty-fourth Legislative Assembly, January 7, 1935-March 7, 1935 (Helena, Montana: State Publishing Co., [1935]), chap. 109, pp. 183-195.



The M.R.C. had the greatest responsibility in drawing up the bill.<sup>1</sup> The act established a State Department and Institution of Public Relief of five members to be known as the "Montana Relief Commission." It was simply the old Commission recreated with some additional powers. Sections 1, 5, 9, and 13 explained that the Commission was to supervise and make rules and regulations applicable to the expenditure of all state or Federal funds appropriated for the purpose of relief in Montana. In its later controversy with F.E.R.A. leadership this proved to be a very significant power. Section 10 declared that the Commission was to effect cooperation with and act in conformity to rules and regulations of the Federal government. Yet section 11 placed the determination of policies in the Commission, and the administrative and executive duties in the hands of the Administrator. The act created a very powerful Commission which had the authority of a complete Department of Public Welfare with power to administer more than just emergency relief, but all types of welfare such as social security payments and old age pensions.

House Bill 291 of the 1933 legislative session created the M.R.C. and stated that the institution was to last for two years. With the creation of a new M.R.C. in March 1935 all the members of the old Relief Commission were automatically released from their administrative positions. However, the governor immediately reappointed them as members of the M.R.C., but they did not reelect Dr. Butler as State Relief Administrator. The minutes of the M.R.C. give no clue why this was not done, in fact they were very quiet about the whole matter. The

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<sup>1</sup>Minutes of the M.R.C., February 14, 1935, p. 3.



Western Progressive quoted Dr. Butler as saying: "It was a question of my not playing politics and sacrificing the people of Montana. I tried to play the game fair. I tried to treat the people on relief honestly and equitably. I was for the person on relief, the under-fellow, and I refused to play politics, and that was all there was to it."<sup>1</sup> Exactly what Dr. Butler meant is anyone's guess; however, it was probably some problem with the state political authorities and not with the F.E.R.A. authorities. Whenever the F.E.R.A. was not happy with the administration of relief in Montana the minutes of the M.R.C. related the disagreements. Dr. Butler had been highly recommended by an F.E.R.A. representative prior to his appointment as Administrator in July 1934. From the M.R.C. minutes it appeared he carried out his responsibilities very admirably. Yet The Western Progressive quoted the Relief Board as saying that the reason for a new Administrator was to inject confidence into the State Relief Organization.<sup>2</sup> The present State Veterinarian of Montana, Dr. J.W. Safford, explained that he had heard old timers say Dr. Butler took a real beating as Relief Administrator.<sup>3</sup> Actually all three Administrators from 1933-1935 did. The administration of relief during trying times was a natural target for criticism and complaints from all segments of society; perhaps the state's political leaders found a scapegoat in Dr. Butler.

The Commission asked a number of men to serve as the new State Relief Administrator, all of whom declined until on May 27, 1935, William

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<sup>1</sup>The Western Progressive, May 24, 1935, p. 8.

<sup>2</sup>Ibid., April 12, 1935, p. 4.

<sup>3</sup>Interview with J.W. Safford, State Veterinarian, in Helena, Montana, April 17, 1968.







Ruffcorn accepted the position.<sup>1</sup> Ray Hart was appointed Administrator of Work Relief, and he became head of the W.P.A. in Montana once it officially started on July 1, 1935. Plans were already being made to cut down the size and scope of the relief program in anticipation of the W.P.A. As of May 31st all relief clients were required to register with the National Reemployment Service in order that they could be hired for work on W.P.A. projects.<sup>2</sup> The M.R.C. on July 1, 1935, officially abolished its elaborate district office organization which had been set up under Dr. Butler. All field personnel and county administrators were to travel only on special assignments. This was because it was necessary to cut down on the number of relief personnel with many of the unemployed being employed by the W.P.A. In order to cut back further on the administrative apparatus all relief was made in cash rather than in kind,<sup>3</sup> and most of the work relief was transferred to the W.P.A. Ruffcorn was given three Assistant Administrators. F. W. McCarthy was his immediate assistant and was to help out at the central office. He had jurisdiction over the various department heads in the state office which included: finance, medicine, Indians,<sup>4</sup> transients, social service, commodities, and the recently established Old Age Pension Commission. Each department head was responsible only to McCarthy or Ruffcorn.<sup>5</sup> The other two assistants were put in charge of

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<sup>1</sup>Minutes of the M.R.C., May 27, 1935, p. 1.

<sup>2</sup>Ibid., May 31, 1935, p. 1.

<sup>3</sup>Ibid., August 8, 1935, p. 1.

<sup>4</sup>In late July Indian Relief was moved from the M.R.C. to the W.P.A. Minutes of the M.R.C., July 26, 1935, p. 1.

<sup>5</sup>Ibid., July 5, 1935, p. 1.



field service; J. W. Stewart was placed over Western Montana and O. B. Horsford over the Eastern half of the state. Both worked directly with the county administrators.

The Federal government stated that Federal relief was to cease November 1, 1935, although one might add that some aid from Washington did continue after that date. After that the county and state governments were to assume responsibility for caring for those unable to work, although they would receive some help through the Federal Social Security Act for certain classes of unemployables. The goal was to provide work for all employables on the relief rolls through the W.P.A.<sup>1</sup> This was an overly optimistic goal and consequently left many states desperate for relief funds over the 1935-36 winter.

Relations between the F.E.R.A. leadership and the M.R.C. were generally quite cordial until the fall of 1935, when many problems flared up which remained unsolved when the F.E.R.A. program was terminated at the end of the year. Apparently, these problems resulted from misunderstandings which arose because of the furious pace of the evolution in relief administration necessitated by the approaching cessation of the F.E.R.A.

The Social Service Division proved to be a prolific source of problems. Apparently the M.R.C. was not entirely satisfied with the way this division was administered because at the end of May 1935, it gave the county administrators authority to discharge and employ those on social service work.<sup>2</sup> This authority had previously been with the Director

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<sup>1</sup>Ibid., August 23, 1935, p. 2.

<sup>2</sup>Ibid., May 28, 1935, p. 2.



of the Division, Samuel Gerson. The Commission believed this would bring about greater efficiency of relief because there would no longer be a divided authority in the counties. The Commission charged that in some counties the social workers had not felt a responsibility to cooperate with the county administrators.<sup>1</sup> Gerson agreed with the new arrangement; he asked only that he be notified and be given a complete picture of the matter before someone was discharged so that he might be able to make provisions to help fill the vacancy.<sup>2</sup>

The problems between the F.E.R.A. and the M.R.C. really started toward the end of August. Although the F.E.R.A. did not make any charge against the M.R.C. it still attempted to "Federalize" relief in Montana. The regional examiner of the F.E.R.A. explained to the M.R.C. that Federal funds were to be the responsibility of an agency administered by a person of whom the F.E.R.A. approved. The Federal funds were to be used to care for the employable cases in the state, while the care of the unemployable cases was to be the responsibility of the M.R.C. using state, local, and social security funds. The F.E.R.A. wanted the Social Service Division directed by Gerson to take over the administration of Federal monies, and the F.E.R.A. threatened to cut off all Federal funds if this was not adhered to.<sup>3</sup>

The M.R.C. however fought back and succeeded in preventing the "Federalization" of relief in the state. The Attorney General of Montana explained that by House Bill 343 of the 1935 legislative laws,

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<sup>1</sup>Ibid., July 26, 1935, p. 5.

<sup>2</sup>Ibid., August 9, 1935, p. 1.

<sup>3</sup>Ibid., September 4, 1935, pp. 1-2.





the M.R.C. was the only body in Montana with authority to supervise the expenditure of relief funds, regardless of their source.<sup>1</sup> The Relief Commission declared that it would administer social service activities, but it would follow rules and regulations uniform to all forty-eight states.<sup>2</sup> The M.R.C. agreed to make the financial and administrative division the F.E.R.A. demanded, yet it would still be the administrative body over both divisions.<sup>3</sup> A special F.E.R.A. representative, F. H. Marvin, asked for supervision of the administration, personnel, and salaries, which was refused. The M.R.C., in its meeting of September 27th, explained that it did not have the right to delegate such authority. The Commission also decided to tell all field representatives and county administrators to honor no orders unless the State Administrator gave his approval.<sup>4</sup> However, the M.R.C. soon compromised and agreed to have all orders from the central office signed by both Ruffcorn and Marvin.<sup>5</sup>

The new cordiality did not last long. The M.R.C. on November 1st rescinded its former action of September 27th. The Relief Commission decided that no longer would Marvin have equal authority with Ruffcorn, it agreed Marvin could only inspect M.R.C. operations and make suggestions

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<sup>1</sup>Ibid., p. 3.

<sup>2</sup>Ibid., September 14, 1935, p. 1.

<sup>3</sup>Ibid., p. 4.

<sup>4</sup>Ibid., September 27, 1935, p. 2.

<sup>5</sup>Ibid., p. 6.



as an F.E.R.A. representative.<sup>1</sup> All the administrative relief personnel were to obey orders signed only by Ruffcorn.<sup>2</sup>

The Relief Commission presented a report to be submitted as part of the minutes of November 1st in which the Commission aired its grievances against the F.E.R.A. leaders and special representatives.<sup>3</sup> The M.R.C. noted first of all that under Montana law it was unable to delegate or surrender its authority to another agency or person. Before the act had been signed Federal officials informed the M.R.C. there was no conflict between the relief act and Federal regulations.<sup>4</sup>

The M.R.C. was particularly vehement in its report against the Social Service Division, which it claimed was the main cause of friction between state authorities and Federal representatives. The Commission charged that the past director of the division and the special representative, who was the present director, repeatedly refused to discharge case workers even after gross examples of inefficiency had been discovered. For example, in Silver Bow County 700 cases had to be removed from relief rolls because the people were making more from private industry than their budgetary needs--some were making as high as \$200 per month. This was discovered only after a member of the county administrative staff had made a special investigation. The M.R.C. promptly removed the social service supervisor in Silver Bow County but

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<sup>1</sup>Ibid., November 1, 1935, p. 1.

<sup>2</sup>Ibid., p. 2.

<sup>3</sup>Ibid., pp. 5-13.

<sup>4</sup>Ibid., p. 5.



regional F.E.R.A. officials attempted to get the supervisor reinstated. In almost every county the M.R.C. claimed that field representatives found cases illegally drawing relief, many cases had not been checked by case workers from thirty to sixty days. The M.R.C. also cited examples to show that some case workers had been overly slow in certifying people for the National Reemployment Service, and consequently the W.P.A. work had been delayed. Then when the M.R.C. released the Social Service Director the F.E.R.A. attempted to take over the administration of Federal funds in Montana.

The M.R.C. also complained that the dual system of relief administration had brought about a great duplication of work and higher overhead costs. Yet, the F.E.R.A. regional representatives had still insisted on such a system. These representatives in addition had appointed various people from outside the state without consulting the State Relief Administrator charged the M.R.C.

In light of the fact that the F.E.R.A. made no charges against the M.R.C. it seems the F.E.R.A. acted in a very high-handed manner. The M.R.C. refused to continue the situation of dual administration unless the Federal Administration showed how the Relief Commission had not abided by Federal rules and regulations. In the November 15th M.R.C. meeting the Commission resolved that the State Relief Administrator be the final authority concerning relief matters in each county, also the social service case workers were to be under the supervision of each county administrator. This in effect did away with the quasi-dual system of relief and reestablished a single relief administration in Montana. In early December, a regional F.E.R.A. representative again endeavored to have the Federal authorities take over the





administration of relief in Montana. This was refused even though Montana faced the possibility of losing Federal grants.

In December the M.R.C. made final plans for the termination of the F.E.R.A. As early as October, the Chairmen of County Commissioners had been advised how to take over the care of the unemployables. However, some state and Federal funds were still to be sent to the counties.<sup>1</sup> The Assistant Relief Administrator, Stewart, had drawn up plans for the administration of social security. In late October he and the secretary of the M.R.C. went to Washington to discuss with the Federal Social Security Board how to perfect the proposed organization.<sup>2</sup> The M.R.C., on December 13th, adopted a resolution that the Relief Administrator and his Assistants be the heads of all the departments of the Social Security Administration, including the Old Age Pension Commission.<sup>3</sup> During the meeting on December 20th the M.R.C. adopted a motion to continue a skeleton staff to operate and maintain the administration of relief in Montana.<sup>4</sup> The economically destitute of Montana were more fortunate than their counterparts in many states where state administration ceased with the termination of the F.E.R.A. The M.R.C. by law remained in effect until March 4, 1937, when the permanent Department of Public Welfare was created.<sup>5</sup>

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<sup>1</sup>Ibid., September 27, 1935, p. 5.

<sup>2</sup>Ibid., October 21, 1935, p. 2.

<sup>3</sup>Ibid., December 13, 1935, p. 2.

<sup>4</sup>Ibid., December 20, 1935, p. 3.

<sup>5</sup>Veeder, The Development of The Montana Poor Law, p. 40.



# Summary of Relief Statistics for Montana

Dates	General Relief No. Cases	Persons Per Case	Am't General Relief Per Case	Total Am't Obligations	Work Relief No. Cases	Total Am't Obligations	Cumulative by 6 mo. periods Am't General Relief & Special Emer- gency Relief
July 1933	23,810	3.4	\$11.99	\$285,482	1,353	\$34,465	\$2,602,689
January 1934	18,089	3.2	13.73	248,405	1,143	27,609	1,919,150
July 1934	28,461	3.3	22.85	650,388	9,468	278,222	3,543,481
January 1935	30,959	3.5	31.86	986,275	12,261	405,558	7,015,733
July 1935	23,445	3.5	23.36	547,695	3,499	100,438	6,455,326
December 1935	9,979	3.3	15.16	151,304	514	3,928	3,456,387

Total all Projects 6,583,066

Total 24,992,766  
Grand Total 26,531,537

(Information obtained from the Final Statistical Report of the F.E.R.A.)

General Relief means direct and work relief.

None of the columns are cumulative six month totals except #7.



Some F.E.R.A. grants continued to Montana until part way through 1937. For 1933-37, 83.4% of the monies spent for relief were Federal, 5.4% state, and 11.2% local. For the 1933-35 period the figures were 88.1%, 2.1%, and 9.8%. These figures do not include \$1,085,000 raised in Montana for poor relief to unemployables, 1933-35. Note that these statistics do not include the Federal money spent on the W.P.A. which started July 1, 1935, or the money for the Social Security Act which became effective in the fall of 1935. These sums were considerable after 1935.

Special Emergency Relief and Special Relief Programs in Montana

1. Montana C.W.A., December 1933-March 1934.
2. Emergency Education, January 1934-December 1935.
3. College Student Aid, January 1934-June 1934, September 1934-June 1935.
4. Drought Relief, June 1934-January 1935.
5. Rural Rehabilitation, April 1934-June 1935, then transferred to the Resettlement Administration.
6. Transient Relief, spring 1934-December 1935.





## CHAPTER VI

### CONCLUSION

The primary purpose of this thesis has been to discuss and examine how relief was administered in the United States under the F.E.R.A., first at the Federal level of organization, and than at the state level with Montana as the state under discussion. Chapters three, four, and five endeavored to fulfill this purpose. A secondary goal of the thesis was to make a brief critique of the relief administration; this was partially completed for the Federal level of administration in chapter four; the main purpose of the present chapter is to indicate some of the successes and failures of relief administration in Montana.

In asking whether the relief administration was a success in Montana, a primary consideration is to examine if the relief administration was organized and operated as Washington wished. The summer of 1933 was a changeover for the M.R.C. from an organization disbursing R.F.C. funds to one administering F.E.R.A. funds. At its first meeting, after many of the F.E.R.A. regulations had been issued, the M.R.C. immediately made provisions to follow these rules.<sup>1</sup> Throughout the F.E.R.A. period the M.R.C. was responsive to new Federal relief rules, discussing them and devising the means of implementing them. The M.R.C. rapidly developed work relief programs

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<sup>1</sup>Minutes of the M.R.C., July 21, 1933.



and other special emergency relief programs as soon as Washington had indicated what was to be done. An example of this was the development of the Montana C.W.A; Montana was the first state to fill its quota of men for C.W.A. projects. Montana's first quota was 14,000 jobs and within a week 12,000 had been provided.<sup>1</sup> Montana was quite capable of using its own initiative once Washington allotted money for a certain program. An example of this was drought relief; very few F.E.R.A. rules were issued concerning the program but very quickly Montana organized a project to take care of the livestock in drought areas. The M.R.C. realized the value of the Federal Social Security Act and made specific provisions to take advantage of it before the F.E.R.A. had ended. Washington during 1935 told the states to make their own plans to care for the needy not eligible for social security as there would be no Federal guidance or support after December of that year. Many of the states failed in this aspect; however, the M.R.C. continued to operate after the F.E.R.A. had terminated. A major goal of the Federal Relief Administration was not only to provide work for the unemployed, but to diversify the work program to fit the various skills of those requiring relief and consequently lift the morale of those on relief. Montana provided work for thirty to forty per cent of those on relief and organized a wide variety of projects. Washington's only complaint was that Montana's engineering and administrative costs were too high; however, the F.E.R.A. regional representative felt the projects were

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<sup>1</sup>Minutes of the Montana C.W.A., December 4, 1933, p. 1.



good ones and should not be discontinued.<sup>1</sup>

In order for an administration to be efficient, in fact for it even to work, each of its officers must know his bounds of authority and his specific duties. The M.R.C. constantly endeavored to keep a flow of instructions going from its offices through the various subdivisions of the administration down to the most minor officials. During 1933 the Commission held meetings in each district to clarify instructions; later as the administrative work increased the M.R.C. organized districts with permanent M.R.C. representatives over each to clarify F.E.R.A. and state relief regulations, and help organize and supervise the different relief programs.

The counsel was not always in one direction. The M.R.C. not only listened to advice from relief personnel, but it listened to complaints from delegations of various grievance committees. From the minutes of the M.R.C. meetings it appeared the Commission was responsive to these suggestions provided the money was available. Most of the complaints were over the small size of the relief budgets and there was little the M.R.C. was able to do to increase them. The responsibility of making greater allocations for relief was that of the Federal, state, and local governments.

A good social service division is prerequisite to an efficient relief administration. Inefficient or uncooperative social service investigators could destroy the effectiveness of a whole relief administration; however, through its supervisory techniques one would expect the relief administration to be able to correct problems

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<sup>1</sup>Minutes of the M.R.C., January 30, 1935, p. 2.





of the social service. This proved difficult for the M.R.C. to do in Montana. The Social Service Division of the M.R.C. at times seemed to believe it was a relief administration in and of itself, and often ignored the advice or counsel of county administrators or other M.R.C. personnel. Sometimes the investigators allowed individuals to remain on relief who were making more than their budgetary relief allowance. This was particularly true in Silver Bow County. Part of this may have been due to lax investigation and part may have been due to the fact that the investigators believed their clients needed more relief than they were receiving. Yet to increase relief in one part of the state meant there was less for another part, and there were examples of isolated areas in the state where relief was totally inadequate.<sup>1</sup> The social service investigators were also lax in interviewing and processing people for special programs such as the W.P.A. The M.R.C. in addition received complaints that some investigators treated their clients with disdain and with an air of superiority rather than as equals. These problems may have been inevitable but the real problem was that the Social Service Division, particularly by the summer of 1935, refused to cooperate. The director of the Social Service Division during 1935, Samuel Gerson, was from Chicago and had received his social work education there. Some of the social service district

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<sup>1</sup>Pearl Daniel, "Somewhere in Montana," The New Republic, Vol. 83 (May 29, 1935), p. 70. The author, a native of Montana, described the deplorable inadequacy of relief in her particular rural area which was fifty miles from the nearest place where relief funds were distributed. Among other problems travelling to the relief station was difficult if not impossible, and few relief products were ever distributed in the vicinity. This not only illustrated the lack of relief monies, but also the failure of the social service.



supervisors were also from out of state and had likewise been educated in Chicago. These social service supervisors may have been uncooperative because they believed their training and experience qualified them well for their work, and consequently they needed little advise and supervision from state relief personnel who lacked professional training. The training and experience of these supervisors had been that of social case work which meant that a relief client was thought of as needing more than relief, but also counsel to reorient his values. These social workers with a background of working in slum areas may have antagonized their rural clients because of the desire to give these independent minded clients advice in addition to relief. One of the members of the M.R.C. hinted at this in his complaints against the Social Service Division.<sup>1</sup> In light of the many state charges against the agency one may wonder why the Federal relief authorities sided with the Social Service Division in Montana and attempted to Federalize relief. Although subject to the M.R.C. the Director of the Social Service and some of his supervisors were appointed and sent to Montana by F.E.R.A. officials. It was only logical the F.E.R.A. would back its own directly appointed personnel. One might also safely assume the Federal relief officials backed the Social Service Division because of the previous training which Gerson and his supervisors had received. Some states were more concerned with saving money than helping those on relief and so came into conflict with social workers. The F.E.R.A. might have assumed this was true of Montana although the author contends that this

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<sup>1</sup>Minutes of the M.R.C., November 1, 1935, p. 8.



accusation cannot logically be made against the M.R.C. However, the Relief Commission cannot be absolved of all responsibility for the problems and misunderstandings which arose. One of the members of the Commission, E. B. Coolidge, declared that he would resign if the Jewish boy, Gerson, from south Chicago was not dismissed.<sup>1</sup> Coolidge also vehemently explained that the M.R.C. did not need a Jewish boy from Chicago telling it how to run a relief administration. Quite obviously Mr. Coolidge, at least, held some prejudice against Jewish people as indicated by his epithet "Jewish boy" in describing Mr. Gerson. The M.R.C. itself inferred that it resented people from outside the state running the Social Service Division. The Commission felt very capable of handling relief in Montana and outside personnel in key relief positions represented not only a vote of no confidence from the F.E.R.A. but also a threat to its independence.

The M.R.C., by standing firm against the F.E.R.A. illustrated a trend that took place among all the states. During the early part of the F.E.R.A. period most states were satisfied, in fact eager to be shown how best to organize and run relief administrations. However, by 1935, once experience in administration of relief had been obtained, these same states began to exert their independence.

Federalization of relief in a particular state was the ultimate control sanction which the Federal government had over the states. The F.E.R.A. did use this weapon occasionally but the experience of Montana illustrated just how reluctant the Federal government was to use it. Another control sanction of the F.E.R.A. was the threat, and sometimes the actual cutting off of Federal grants to a state in order

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<sup>1</sup>Ibid., August 30, 1935, p. 3.







to coerce the particular state into accepting certain Federal regulations. When the M.R.C. balked at the proposed Federalization an F.E.R.A. representative threatened to stop Federal aid.<sup>1</sup> The M.R.C. called the Federal bluff so to speak, but grants-in-aid were still forthcoming. The F.E.R.A. could threaten but it hesitated to go through with its threats, realizing that those who would suffer most were the relief clients.

Relations between the F.E.R.A. and the M.R.C. were for the most part quite cordial except of course for the last few months of 1935. The F.E.R.A. headquarters regularly sent bulletins of rules and regulations to the M.R.C. Periodically a regional F.E.R.A. representative met with the Commission to help clarify the Federal regulations or advise on how to organize new relief programs. Occasionally a regional representative inspected county relief administrations with the State Relief Administrator to make certain Federal policy was followed. However, much of the solving of relief problems by the F.E.R.A. was done over the phone directly with the Relief Administrator. For the most part Washington seemed very pleased with the way Montana administered relief. In October 1933 both Roosevelt and Hopkins affirmed that Montana and Missouri had the two most "efficient" relief administrations in the United States.<sup>2</sup> Hopkins also claimed that no other state had handled the C.W.A. work as well as Montana.<sup>3</sup> In the spring of 1933 Hopkins lost confidence in the

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<sup>1</sup>Ibid., December 6, 1935, p. 2.

<sup>2</sup>Ibid., July 2, 1934, p. 5.

<sup>3</sup>Minutes of the Montana C.W.A., January 29, 1934, p. 5.



Relief Administrator Spaulding, and this was the primary reason for his resignation and the appointment of Dr. Butler as State Relief Administrator. This was the last time any problem of consequence arose between Montana and the F.E.R.A. until late 1935.

One question involving F.E.R.A.-state relationships which never was answered to the satisfaction of the Montana officials was who controlled Federal monies once they were granted to the states. Although once a grant was made and became state property, regional representatives tried to indicate that the Federal government still held a measure of control over the funds.<sup>1</sup> This was incorrect; once a state received a grant it could spend the money completely disregarding Federal rules; however, the Federal government could then refuse to make the next grant.

The charge has been made that the F.E.R.A. was a giant political machine which endeavored to buy votes for the Democratic administration. From the research for this thesis there was no evidence that the F.E.R.A. representatives tried to pressure the M.R.C. into being such a machine to buy votes. The M.R.C. received Federal instructions that it was to be completely non-partisan. In fact the F.E.R.A. wanted one of the members of the M.R.C. released because he

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<sup>1</sup>Minutes of the M.R.C., January 30, 1935, p. 5. In answer to a question from one of the members of the M.R.C. about who controlled the Federal grants once they were in the hands of the Commission T. J. Edmonds, a special F.E.R.A. representative, stated: "F.E.R.A. funds are granted to states for specified purposes. In a technical sense, subject to the limitations of the terms of the grants, they become state funds, but the limitations of the terms of the grant are a continuing factor of proprietorship which implies a corresponding measure of control. Because of this technical aspect certain responsibilities and penalties attach themselves to the state management of such funds."



was a state Senator.<sup>1</sup>

The M.R.C. eventually made a rule that no one holding or running for political office in Montana could hold a position in the relief administration of the state.<sup>2</sup> However, the governor stressed that to hold an administrative position one should be favorable to the principles of the New Deal and the Administration in Washington.<sup>3</sup> To a point this was reasonable; someone completely opposed to the Federal government and its policies almost certainly would not be amenable to Federal regulations regarding relief. There was no evidence however that political support of either Federal or state government was expected of relief clients as a condition for receiving relief. A policy of directly soliciting votes would have been foolish; any government that organized and maintained an efficient relief administration was indirectly buying all the votes it needed. This is not to criticize for relief was desperately needed by many.

The M.R.C. worked very hard to relieve economic distress and did much to accomplish this, yet relief was never adequate for many people in Montana, nor for that matter in the entire nation. All reasons for this fell into the two broad categories of either administrative breakdown or insufficient relief funds. The M.R.C. had little control over the amount of money it received for disbursement; administration was its domain. Despite its problems and contrary to what the officials at F.E.R.A. headquarters may have thought during

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<sup>1</sup>Ibid., July 2, 1934, p. 7.

<sup>2</sup>Ibid., p. 3.

<sup>3</sup>Ibid., February 16, 1934, p. 1.





the fall of 1935, the Relief Commission succeeded in developing a very comprehensive relief program which carried the state's needy through a critical era of history. The Commission also constructed an administration capable of taking over a new old age pension program, social security, and relief to needy employables once Federal support ceased.



APPENDIX I

FEDERAL EMERGENCY RELIEF ACT 1933

PUBLIC-NO. 15-73D CONGRESS

H.R. 4606

AN ACT

To provide for cooperation by the Federal Government with the several States and Territories and the District of Columbia in relieving the hardship and suffering caused by unemployment, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress hereby declares that the present economic depression has created a serious emergency, due to widespread unemployment and increasing inadequacy of State and local relief funds, resulting in the existing or threatened deprivation of a considerable number of families and individuals of the necessities of life, and making it imperative that the Federal Government cooperate more effectively with the several States and Territories and the District of Columbia in furnishing relief to their needy and distressed people.

Sec. 2. (a) The Reconstruction Finance Corporation is authorized and directed to make available out of the funds of the Corporation not to exceed \$500,000,000, in addition to the fund authorized under title I of the Emergency Relief and Construction Act of 1932, for expenditure under the provisions of this Act upon certification by the Federal Emergency Relief Administrator provided for in section 3.

(b) The amount of notes, debentures, bonds, or other such obligations which the Reconstruction Finance Corporation is authorized and empowered under section 9 of the Reconstruction Finance Corporation Act, as amended, to have outstanding at any one time is increased by \$500,000,000: Provided, That no such additional notes, debentures, bonds, or other such obligations authorized by this subsection shall be issued except at such times and in such amounts as the President shall approve.

(c) After the expiration of ten days after the date upon which the Federal Emergency Relief Administrator has qualified and has taken office, no application shall be approved by the Reconstruction Finance Corporation under the provisions of title I of the Emergency Relief and Construction Act of 1932, and the Federal Emergency Relief Administrator shall have access to all files and records of the Reconstruction Finance Corporation relating to the administration of funds under title I of such Act. At the expiration of such ten-day period, the unexpended and unobligated balance of the funds authorized under title I of such Act shall be available for the purposes of this Act.

Sec. 3. (a) There is hereby created a Federal Emergency Relief Administration, all the powers of which shall be exercised by a Federal Emergency Relief Administrator (referred to in this Act as the "Administrator") to be appointed by the President, by and



with the advice and consent of the Senate. The Administrator shall receive a salary to be fixed by the President at not to exceed \$10,000, and necessary traveling and subsistence expenses within the limitations prescribed by law for civilian employees in the executive branch of the Government. The Federal Emergency Relief Administration and the office of Federal Emergency Relief Administrator shall cease to exist upon the expiration of two years after the date of enactment of this Act, and the unexpended balance on such date of any funds made available under the provisions of this Act shall be disposed of as the Congress may by law provide.

(b) The Administrator may appoint and fix the compensation of such experts and their appointment may be made and compensation fixed without regard to the civil service laws, or the Classification Act of 1923, as amended, and the Administrator may, in the same manner, appoint and fix the compensation of such other officers and employees as are necessary to carry out the provisions of this Act, but such compensation shall not exceed in any case the sum of \$8,000; and may make such expenditures (including expenditures for personal services and rent at the seat of government and elsewhere and for printing and binding), not to exceed \$350,000, as are necessary to carry out the provisions of this Act, to be paid by the Reconstruction Finance Corporation out of funds made available by this Act upon presentation of vouchers approved by the Administrator or by an officer of the Administration designated by him for that purpose. The Administrator may, under rules and regulations prescribed by the President, assume control of the administration in any State or States where, in his judgment, more effective and efficient cooperation between the State and Federal authorities may thereby be secured in carrying out the purposes of this Act.

(c) In executing any of the provisions of this Act, the Administrator, and any person duly authorized or designated by him, may conduct any investigation pertinent or material to the furtherance of the purposes of this Act and, at the request of the President, shall make such further investigations and studies as the President may deem necessary in dealing with problems of unemployment relief.

(d) The Administrator shall print monthly, and shall submit to the President and to the Senate and the House of Representatives (or to the Secretary of the Senate and the Clerk of the House of Representatives, if those bodies are not in session), a report of his activities and expenditures under this Act. Such reports shall, when submitted, be printed as public documents.

Sec. 4. (a) Out of the funds of the Reconstruction Finance Corporation made available by this Act, the Administrator is authorized to make grants to the several States to aid in meeting the costs of furnishing relief and work relief and in relieving the hardship and suffering caused by unemployment in the form of money, service, materials, and/or commodities to provide the necessities of life to persons in need as a result of the present emergency, and/or to their dependents, whether resident, transient, or homeless.

(b) Of the amounts made available by this Act not to exceed \$250,000,000 shall be granted to the several States applying therefor, in the following manner: Each State shall be entitled to receive grants equal to one third of the amount expended by such State, including the civil subdivisions thereof, out of public moneys from all sources for the purposes set forth in subsection (a) of this sec-







section; and such grants shall be made quarterly, beginning with the second quarter in the calendar year 1933, and shall be made during any quarter upon the basis of such expenditures certified by the States to have been made during the preceding quarter.

(c) The balance of the amounts made available by this Act, except the amount required for administrative expenditures under section 3, shall be used for grants to be made whenever, from an application presented by a state, the Administrator finds that the combined moneys which can be made available within the State from all sources, supplemented by any moneys, available under subsection (b) of this section, will fall below the estimated needs within the State for the purposes specified in subsection (a) of this section: Provided, That the Administrator may certify out of the funds made available by this subsection additional grants to States applying therefor to aid needy persons who have no legal settlement in any one State or community, and to aid in assisting cooperative and self-help associations for the barter of goods and services.

(d) After October 1, 1933, notwithstanding the provisions of subsection (b), the unexpended balance of the amounts available for the purposes of subsection (b) may, in the discretion of the Administrator and with the approval of the President, be available for grants under subsection (c).

(e) The decision of the Administrator as to the purpose of any expenditure shall be final.

(f) The amount available to any one State under subsections (b) and (c) of this section shall not exceed 15 per centum of the total amount made available by such subsections.

Sec. 5. Any State desiring to obtain funds under this Act shall through its Governor make application therefor from time to time to the Administrator. Each application so made shall present in the manner requested by the Administrator information showing (1) the amounts necessary to meet relief needs in the State during the period covered by such application and the amounts available from public or private sources within the State, its political subdivisions, and private agencies, to meet the relief needs of the State, (2) the provision made to assure adequate administrative supervision, (3) the provision made for suitable standards of relief, and (4) the purposes for which the funds requested will be used.

Sec. 6. The Administrator upon approving a grant to any State shall so certify to the Reconstruction Finance Corporation which shall, except upon revocation of a certificate by the Administrator, make payments without delay to the State in such amounts and at such times as may be prescribed in the certificate. The Governor of each State receiving grants under this Act shall file monthly with the Administrator, and in the form required by him, a report of the disbursements made under such grants.

Sec. 7. As used in the foregoing provisions of this Act, the term "State" shall include the District of Columbia, Alaska, Hawaii, the Virgin Islands, and Puerto Rico; and the term "Governor" shall include the Commissioners of the District of Columbia.

Sec. 8. This Act may be cited as the "Federal Emergency Relief Act of 1933."

Approved, May 12, 1933.



## APPENDIX II

### HOUSE BILL 291--MONTANA LEGISLATIVE SESSION 1933

An Act to Provide for the Appointment of a Commission by the Governor of Montana, for the Purpose of Administering Relief Funds Advanced by the Reconstruction Finance Corporation of the United States, and Defining the Duties and Powers of Such Commission, and Providing an Appropriation Therefor.

Be it enacted by the Legislative Assembly of the State of Montana:

Section 1. The Governor of the State of Montana shall appoint a commission of five members, who shall serve without compensation for the term of two years. This Commission shall be known as the "Montana Relief Commission." It shall appoint committees in such counties of this state as shall ask and receive relief from the Reconstruction Finance Corporation, which county committees shall receive no compensation for their services.

Section 2. The Commission shall make all necessary rules and regulations in connection with making applications for such relief and make regulations relative to the applications and the investigation and granting of same, and shall require adequate standards of relief, require the making of such reports as they deem necessary, and supervise and regulate the distribution of relief funds from the Reconstruction Finance Corporation within the State of Montana, and may compel compliance with their rules and regulations as a condition of securing relief from such Reconstruction Finance Corporation.

Section 3. That the following sums or so much thereof as may be necessary and the same are hereby appropriated out of any money in the State Treasury not otherwise appropriated, beginning March 1, 1933 and ending June 30, 1935.

MONTANA RELIEF COMMISSION  
FROM THE GENERAL FUND

For Expenses, Twenty-five Hundred Dollars....\$2500.00

Section 4. Appropriations herein above provided for shall be deemed and held valid notwithstanding the provisions of the Budget Act.

Section 5. This Act shall be in full force and effect from and after its passage and approval.

Approved March 4, 1933.





### APPENDIX III

#### HOUSE BILL 52--MONTANA EXTRAORDINARY LEGISLATIVE SESSION 1933-1934

An Act Establishing an Emergency Relief Fund; Creating a State Institution to be Known as Emergency Relief; Defining the Purpose and Directing the Administration Thereof; and Directing the Distribution of Moneys to Said Fund.

Be it enacted by the Legislative Assembly of the State of Montana:

Section 1. There is hereby created a state institution to be known as Emergency Relief, the purpose of which shall be to provide means for the sustenance of life and the relief of distress among people of the state whom economic conditions, industrial inactivity, or other cause over which they have no control has deprived of support.

Section 2. There is hereby created, and the proper and usual officers of the state are hereby directed to set up and establish, a fund to be known as Emergency Relief Fund to which shall be distributed such moneys as are provided therefor by the Legislative Assembly.

Section 3. The Montana Relief Commission is hereby authorized and it shall be the duty of that Commission to administer the fund herein created, and to administer the Emergency Relief as a state institution in such manner as to effectuate the purpose of this Act as herein set forth.

Section 4. The institution herein created and the fund herein directed to be set up shall lapse, and the authority of the Montana Relief Commission with relation thereto, shall cease, at such time as shall hereafter be specified by the Legislative Assembly.

Section 5. The members of the Montana Relief Commission shall each take and subscribe to the Constitutional oath of office, and shall furnish a surety company bond conditioned upon the faithful discharge of their duties in the amount of Five Thousand Dollars (\$5,000.00) each, running to the State of Montana, the premium of which shall be paid by the state.

Section 6. All Acts and parts of Acts in conflict herewith are hereby repealed.

Section 7. This Act shall be in full force and effect from and after its passage and approval.

Approved January 2, 1934.





#### APPENDIX IV

#### HOUSE BILL 343--MONTANA LEGISLATIVE SESSION 1935

An Act Harmonizing, Revising and Codifying the Sections of the Laws  
Heretofore Passed Relating to the Montana Relief Commission, . . .

Be it enacted by the Legislative Assembly of the State of Montana:

Section 1. There is hereby created and established a State Department and Institution of Public Relief composed of a commission of five (5) members, each of whom shall be a citizen of the United States and a resident and taxpayer of the State of Montana for a period of three (3) years prior to his appointment, which commission shall be known as the "Montana Relief Commission"; the purpose of which shall be to provide means for the sustenance of life, shelter and the relief of distress among the people of the state whom economic conditions, industrial inactivity, old age, unemployment or other causes over which they have no control have deprived of support and to aid dependent children and for such other economic security functions as are or may be assumed by the state; and to provide further for necessary cooperation with other state and Federal agencies in the employment of those in need of employment to prevent them from becoming objects of relief; and to administer such funds as are appropriated by the State Legislature or made available to the State of Montana, or the Governor thereof, by any Act of Congress of the United States for any declared purposes of this Act.

. . .

Section 5. The "Montana Relief Commission" is hereby authorized, and it shall be its duty to administer the fund hereby created as a state institution in such manner as to effectuate the purposes of this Act. Such commission shall keep complete records and reports of all receipts of moneys, disbursements made thereof, all of which said records, and reports shall be subject to examination and audit by the State Examiner, and it shall be the duty of the State Examiner to examine and audit such reports when and at such intervals as he shall deem necessary. The fiscal rules and regulations of the United States Government as enjoined upon the "Montana Relief Commission" shall be used as a method of accounting for all of such funds.

. . .

Section 9. The "Montana Relief Commission" shall supervise the expenditure of the fund herein created and all funds appropriated by this Act, by the Legislative Assembly or by the State of Montana for the purposes set forth in this Act and shall supervise the expenditure of all Federal funds appropriated by Act of Congress and/or allocated to the State of Montana, or its Governor, by Act of Congress, the President of the United States, the Executive Department of the United States, or any of its agencies for the purpose set forth in this Act.

Section 10. The "Montana Relief Commission" is hereby directed to



establish effective and efficient cooperation with Federal authorities or agencies created or to be created by Act of Congress, or created or to be created by the Executive of the United States or the Executive Department of the United States or any agency thereof through which any funds have been or may hereafter be allocated to the State of Montana, or its Governor, for the purposes set forth in this Act and are directed to establish rules and regulations for the distribution of the funds herein mentioned consistent and in conformity to rules and regulations of the Federal Government with reference to the expenditure of such funds heretofore or hereafter lawfully promulgated.

Section 11. The commission shall appoint a Montana Relief Administrator who shall hold office at the pleasure of the commission and shall receive such salary and traveling expenses as the commission shall prescribe, and who, if and so long as Federal funds are available to the state commission, shall be a person acceptable to such Federal authority as is charged by law with the administration and/or allotment of such Federal funds. Said administrator shall be the administrative officer for the commission. The commission shall determine the policies of the Montana Relief Administration, but all administrative and executive authorities and duties shall be vested in the administrator, provided however, the appointments by the administrator of major department heads shall be subject to the approval of the commission.

. . .

Section 13. The commission shall make all necessary rules and regulations in connection with the making of application for relief; to the investigation and granting of the same; and shall require adequate standards of relief, require the making of such reports as they deem necessary, and shall supervise and regulate the distribution of relief funds received from the Reconstruction Finance Corporation and/or any and all other agencies of the United States Government which may distribute and allocate funds of the United States for the purposes mentioned in this Act, or which may be made available to the State of Montana by gift, grant or otherwise from private or other sources, and may compel compliance with their rules and regulations and with the rules and regulations of the agencies of the United States Government as a condition precedent to securing relief.

. . .

Section 23. Because of the inability of thousands of persons throughout the state to find employment and to support themselves and their families in the present depression, it is necessary that the powers conferred and moneys appropriated by this Act be exercised and drawn on, respectively, immediately in order to create employment, to relieve distress and to prevent irreparable injury to the people of the state so that the public peace, health and safety can be preserved immediately. An emergency is hereby declared to exist and this Act shall not be subject to referendum and shall be in full force and effect from and after its passage and approval.

Approved March 11, 1935





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